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Business on Upward Swing

Reports from East, Middle West and South

By John Whyte, Ph. D.

Director of Research, National Association of Credit Men.

BUSINESS is distinctly on the upward trend, according to reports received by the National Association of Credit Men from 88 representative concerns in 10 different lines of business in Eastern, Middle Western and Southern states. Of these concerns 78 per cent. report sales in dollars for March 1922 better than for February of this year and 55 per cent. report their sales in dollars better for March of 1922 as compared with March 1921. Collections for March, 1922, compared with February 1922, also show an improvement, 59 per cent. reporting improved collections. As compared with March 1921, however, collections have fallen off slightly; only 46 per cent. report better collections in March 1922 as compared with the same month of the preceding year. In answer to the question, "Has the revival of business activity reached your line?" 67 per cent. answered "yes" as against 33 per cent. who answered "no."

The complete summary of all the trades is as follows:

SUMMARY

1. Comparing their figures with February 1922, 59 per cent. report collections for March better, 34 per cent. stationary and 7 per cent. worse.
2. Comparing sales in dollars for March 1922 with those for February 1922, 78 per cent. report better sales, 13 per cent. stationary and 9 per cent. worse.
3. Comparing sales in units for March 1922 with those for February 1922, 76 per cent. report improvement, 15 per cent. stationary sales, 9 per cent. worse.
4. Comparing their figures with

March of last year, 46 per cent. report better collections for March 1922, 18 per cent. stationary collections, and 36 per cent. worse.

5. Comparing the figures with those for March 1921, 55 per cent. report sales in dollars better for March 1922, 11 per cent. stationary, and 33 per cent. worse.

6. Comparing the figures with those for March 1921, 65 per cent. report sales in units better for March 1922, 8 per cent. stationary, and 27 per cent. worse.

All lines report better business in March 1922 as compared with February 1922. February, however, is a short business month. With the exception of the Iron and Steel group, which shows decidedly better business for March 1922 as compared with both February 1922 and March 1921, business in March 1922, although generally better than in March 1921, is not uniformly so. Drugs and Chemicals, Paints and Varnish, Dry Goods and Notions, and Paper show up well in a comparison of March 1922 figures with March 1921 figures. The other groups show at the most only a slight improvement. On the basis of these reports it would seem that the improvement in business as a whole is due to the increased activity of the construction industry, which comprehends not only building in its narrower sense but construction of railroad equipment as well. That activity should gradually be communicated to other groups and should go far to offset the downward pull that comes from the inability of the farmer to buy in his usual quantities.

A detailed summary by trades follows:

SUMMARY BY TRADES

BOOTS AND SHOES.

12 reporting, from Virginia, Alabama, Ohio, Wisconsin, Missouri, Illinois, Pennsylvania, and Massachusetts (3). Comparing figures for March 1922 with those for February 1922: Collections: 10 better, 1 stationary, 1 worse. Sales in dollars: 11 better, 1 worse. Sales in units: 10 better, 1 worse. Comparing figures for March 1922 with those for March 1921: Collections: 4 better, 3 stationary, 5 worse. Sales in dollars: 5 better, 2 stationary, 6 worse. Sales in units: 7 better, 5 worse. To question re revival of business activity: 8 yes; 2 no.

CLOTHING.

7 reporting, from Ohio, Pennsylvania, Michigan, and New York (4). Comparing figures for March 1922 with those for February 1922: Collections: 3 better, 3 stationary, 1 worse. Sales in dollars: 3 better, 3 stationary, 1 worse. Sales in units: 4 better, 2 stationary, 1 worse. Comparing figures for March 1922 with those for March 1921: Collections: 2 better, 0 stationary, 5 worse. Sales in dollars: 4 better, 0 stationary, 3 worse. Sales in units: 4 better, 0 stationary, 3 worse. To question re revival business activity: 2 yes; 2 no.

DRUGS AND CHEMICALS.

7 reporting, from Michigan, Alabama, Louisiana, Virginia, Tennessee, New York, Wisconsin. Comparing figures for March 1922 with those for February 1922: Collections: 6 better, 1 stationary, 0 worse. Sales in dollars: 6 better, 0 stationary, 1 worse. Sales in units: 5 better, 1 stationary, 1 worse. Comparing figures for March 1922 with those for March 1921: Collections: 5 better, 1 stationary, 1 worse. Sales in dollars: 5 better, 1 stationary, 1

worse. Sales in units: 5 better, 1 stationary, 1 worse. To question re revival of business activity: 4 yes, 3 no.

DRY GOODS, NOTIONS, ETC.

8 reporting, from Minnesota, Indiana, New Jersey, Wisconsin, Missouri, Pennsylvania (3). Comparing figures for March 1922 with those for February 1922: Collections: 5 better, 3 stationary, 0 worse. Sales in dollars: 4 better, 3 stationary, 0 worse. Sales in units: 3 better, 3 stationary, 0 worse. Comparing figures for March 1922 with those for March 1921: Collections: 5 better, 1 stationary, 2 worse. Sales in dollars: 6 better, 0 stationary, 2 worse. Sales in units: 6 better, 1 stationary, 1 worse. To question re revival of business activity: 4 yes; 3 no.

FURNITURE.

5 reporting, from Indiana, Wisconsin and Michigan (3). Comparing figures for March 1922 with those for February 1922: Collections: 1 better, 3 stationary, 1 worse. Sales in dollars: 3 better, 0 stationary, 2 worse. Sales in units: 2 better, 0 stationary, 2 worse. Comparing figures for March 1922 with those for March 1921: Collections: 2 better, 2 stationary, 1 worse. Sales in dollars: 3 better, 1 stationary, 1 worse. Sales in units: 2 better 1 stationary, 1 worse. To question re revival of business activity: 2 yes; 3 no.

GROCERIES.

12 reporting, from Indiana, Michigan, Tennessee, Iowa, Georgia, North Dakota, Illinois (2), Pennsylvania (2), Wisconsin (2). Comparing figures for March 1922 with those for February 1922: Collections: 6 better, 4 stationary, 2 worse. Sales in dollars: 6 better, 4 stationary, 2 worse. Sales in units: 5 better, 5 stationary, 1 worse. Comparing figures for March 1922 with those for March 1921: Collections: 4 better, 3 stationary, 5 worse. Sales in dollars: 3 better, 1 stationary, 7 worse. Sales in units: 5 better, 1 stationary, 5 worse. To question re revival of business activity: 4 yes; 7 no.

HARDWARE.

12 reporting, from Minnesota, Utah, Ohio, Kentucky, Missouri, Michigan, W. Virginia, Pennsylvania, Connecticut, (4). Comparing figures for March 1922 with those for February 1922: Collections: 7 better, 5 stationary, 0 worse. Sales in dollars: 11 better, 0 stationary, 1 worse. Sales in units: 11 better, 0 stationary, 1 worse. Comparing figures for March 1922 with those for March 1921: Collections: 5 better, 2 stationary, 5 worse. Sales in dollars: 6 better, 1 stationary, 5 worse. To question re revival of business activity: 8 yes; 3 no.

IRON AND STEEL.

6 reporting, from Pennsylvania (2), Ohio (3), and Alabama. Comparing figures for March 1922 with those for February 1922: Collections: 4 better, 2 stationary, 0 worse. Sales in dollars: 6 better, 0 stationary, 0 worse. Sales in units: 6 better, 0 stationary, 0 worse. Comparing figures for March 1922 with those for March 1921: Collections: 5 better, 1 stationary, 0 worse. Sales in dol-

lars: 6 better, 0 stationary, 0 worse. Sales in units: 6 better, 0 stationary, 0 worse. To question re revival of business activity: 6 yes; 0 no.

PAINTS AND VARNISH.

8 reporting, from New Jersey, Pennsylvania (2) and New York (5). Comparing figures for March 1922 with those for February 1922: Collections: 4 better, 4 stationary, 0 worse. Sales in dollars: 7 better, 0 stationary, 0 worse. Sales in units, 6 better, 0 stationary, 0 worse. Comparing figures for March 1922 with those for March 1921: Collections: 4 better, 0 stationary, 3 worse. Sales in dollars, 6 better, 0 stationary, 2 worse. Sales in units: 5 better, 1 stationary, 1 worse. To question re revival of business activity: 6 yes, 1 no.

PAPER.

8 reporting, from Texas, Illinois, Iowa, Nebraska, New York, Pennsylvania and Massachusetts (2). Comparing figures for March 1922 with those for February 1922: Collections: 3 better, 4 stationary, 1 worse. Sales in dollars: 7 better, 1 stationary, 0 worse. Sales in units: 7 better, 0 stationary, 0 worse. Comparing figures for March 1922 with those for March 1921: Collections: 3 better, 2 stationary, 3 worse. Sales in dollars: 4 better, 3 stationary, 1 worse. Sales in units 7 better, 1 stationary, 0 worse. To question re revival of business activity: 7 yes; 1 no.

WHAT IS HOLDING US BACK

The factors adverse to prosperous business given by the representatives of the different lines of business are for the most part the same, the low price of farm products, general depression, lack of export demand, strikes, the coal situation, unemployment, weather, freight rates. There is some difference in the emphasis given to these factors by the various trades. The businesses in closer touch with conditions in the Middle West and South emphasize more strongly the inability of the farmers to buy. The businesses in such states as Pennsylvania and West Virginia emphasize the coal strike and labor difficulties. High freight rates are emphasized by the iron and steel group and hardware group.

Inquiries Addressed to the Country Banker

IMAGINE a complete reversal of the present order of sentiment and action among the men who are handling credits. Instead of helping each other steer safely away from dangerous risks, suppose the rule was to give no help at all or to give obscure or even false signals. The resulting losses to commerce would be vastly increased, because risks now taken with eyes wide open would be taken in the dark, and commerce would be clogged by wastage.

Complaints are often made that there is still a large number of men

in position to give clear credit information who do not meet requirements fairly and frankly and, if they give any attention at all to credit inquiries, display only uncertain signals. Such criticism is apt to be levelled at country bankers as a class.

Class criticism is dangerous. Generally, it is based upon experiences with a few representatives of the class. Yet where there is so much smoke there is probably fire; and perhaps the country bankers themselves will admit that they are not all in heartiest accord with the modern spirit of speaking frankly regarding a customer's standing.

On the other hand, perhaps the trouble is largely with the man who is making the inquiry. Perhaps he has never learned how to accompany his inquiry with a bit of information such as the banker will feel obliged as a matter of reciprocity to give a complete answer. Perhaps the accompanying information is often so general that it has no value to the banker, gave him no clue as to the reason for the inquiry, what the size of the order received was, and for what classes of goods and on what terms.

Then, too, let us remember that there is a constraint on the banker established by a more or less confidential relation between him and his customer regarding the amount of deposit and some other details.

Yours Tightly in Posterity

THIS letter was a puzzle to its addressees, Charles S. Porter, Inc., wholesale furs, N. Y., who were at a loss to know what the writer from South Africa wanted.

With much satisfaction for manuscripting you these insufficiency lines that, I am always hearing your name going on so highly, with good recommendation and I felt in position of finding your name and address to keep you in manuscripting but by postulating it, day after day, it delivered to me by a certain friend of mine just proceeded down here from Accra.

Consequently I am hereby writing this to you, to me a good send of your best catalogue which I compute that everything have stated in, together with "price list."

I do hope that you would remit this to me as early as possible, as soon as this my urgent note received; if you try your utmost best and despatch this list. O! I shall be yours tightly customer in posterity.

Trusting to be favored with your esteemed commands and assuring you of my best attention.

Hoping for a favorable and early reply I remain to be

Dear Sirs; Yours truly
X. Y. Z.

Interlocking of Sales and Credits

Talk at Worcester to New England Credit Men

By Fred H. Rich

Sec.-Treas., Western Mass. Assn. of Credit Men, Springfield, Mass.

IF the element of credit were entirely disregarded by your sales department, can you imagine the appearance of your profit and loss statement at the end of a year or two?

A credit department functions as a safety check upon the sales department to prevent the taking of such accounts as are doubtful. In any well organized business concern, small or large, the credit department is closely related to the sales department by insuring that money shall come back for the goods that the salesmen move out.

Your sales department should aim for maximum sales of goods that will remain sold at minimum of expense. And your credit department's aim should be maximum collections with a minimum cost and money loss, and with a minimum loss of customers.

How can a credit department sell goods as profitably and successfully as a well trained salesman? How can it assist the sales department? Not by becoming absorbed in a burdensome amount of detail. The credit manager of ability, capacity, vision and training can be of immeasurable value to his house, in the establishing of methods and management, and assisting in the selection of men who are to represent the house; who are to come in personal contact with its customers.

You must regard customers not merely as ledger numbers but as human beings upon whom you are depending for the flow of the money on which your concern must thrive. The credit man should understand human nature; and the salesman can give him a great deal of information along this line.

It is mighty easy to offend customers in the matter of collections. Pride is easily touched where money is concerned.

Many credit men are too likely to sacrifice the future for the present. They are likely to be so intent on making the collections that they forget about the future business of the debtor. The cost of the



Frederick H. Rich

B., 1877, Hoosick Falls, N. Y. High school and Commercial school, supplemented by a great deal of home study. Congregationalist. Member, Chamber of Commerce. Favorite reading, business magazines, books on accounting, law, business systems and Economics. Recreations, bowling, fishing, walking, and garden work. Sec.-Treas. Western Mass. Assn., Springfield, Mass.

First position after receiving that much prized diploma, paid me six dollars a week. After paying for board and laundry had eighty-five cents left for clothing. Buying candy for a young lady was out of the question. During the past 14 years, held various positions, each succeeding one of more responsibility as follows: Chief production clerk, Stevens-Duryea Co., 4 yrs., Chicopee Falls, Mass.; auditor and comptroller, Knox Motors Co., 4 yrs., Springfield, Mass.; office manager, Wire Wheel Corporation of America, 3 yrs., Springfield, Mass.; assistant treasurer, Napier Saw Works, Inc., 2 yrs., Springfield, Mass.; assistant treasurer, Metal Saw & Machine Co., (successors to Napier S. Wks.), 1 yr., Springfield, Mass. Now in business for himself selling and delivering own "personal service." Too busy to solicit any more for work has a habit of coming his way, especially if it is a business that is "sick" and doubled up with colic. Chairman, Business Meetings Committee, 2 years, now director and sec.-treas., Western Massachusetts assn. Member New England Council.

salesman's time, effort and expenses in getting the account must not be wasted. A good credit man endeavors to train his customers to pay on time and to collect the greatest percentage of over due bills without losing the good will and patronage of the customers.

Some houses may sell a specialty to consumers and can expect no repeat orders; they may not care whether the customer becomes offended at the drastic methods used to collect. But the future business of the house may suffer in an indirect way: The customer may be a life long enemy of the house, and drive away prospective customers—his friends.

LOSING SALES VS. LOSING CUSTOMERS

Great care must be exercised in the writing of collection letters. If a sales letter goes wrong the house *loses only the sale*. It may ter goes wrong the house may easily *lose a customer*. This destroys future business.

A house often has to refuse credit to some concerns that it may desire for customers later. There are sure to be times when it is essential to increase sales. Here is where both the credit department and the sales department may arrange to refuse credit in such a way as to keep a customer a friend. Perhaps the sales manager may be more tactful than the credit man in a case of this kind.

The credit department can assist the Sales department in reviving trade with former customers, where the sales department has no perpetual record of orders received. The credit department may do this by advising the sales department of customers who have not purchased from your house for some time. Your ledgers will indicate that many desirable customers should be solicited. In some offices the inactive ledgers may be lent to the sales department for use in the promotion of sales. You will be astonished to find how many customers, perhaps unnoticed, have discontinued business with your house.

"The heart that pumps the life blood of Salesmanship is *Service* to the end of satisfaction, and profit for both buyer and seller. He profits most who serves best," says Sheldon.

A credit man should be vitally interested in the service rendered

by his house. He should become interested with the sales department in the improvement of methods of handling inquiries, orders, the acknowledgment, shipments, billing. Special attention should be given to claims, returns and allowances. Harmonious activity in these matters is vital. If there is laxity, many customers will be disgusted with your methods.

Do not stand for the pigeon hole system of handling claims and adjustments. Both the credit and sales department are affected and benefited by prompt adjustments.

BENEFIT OF COUNSELLING TOGETHER

The sales and credit departments will be much benefitted by frequent counsel; both should keep well posted on general and local conditions and should exchange information received.

Many times a salesman may warn the credit man of approaching danger, providing he be trained to view things from the credit standpoint. The customer is apt to feel more free with a salesman than he naturally would be in the presence of the credit man.

Poor collections are frequently attributable to the sales department, which has sold goods by misrepresentation or has allowed misunderstandings of such a serious nature to arise that customers refuse to pay. Overzealous salesmen will often make promises which are not and cannot be kept. Occasionally one will grant an extension of time to a customer without the knowledge of the credit department.

Salesmen should be cautioned in regard to over selling their customers. There should be a definite understanding between the salesman and the customer regarding quantity, quality, prices, discounts, delivery dates, restricted territory and terms. The signed order should state everything as agreed upon with the customer.

If the salesman is endowed with ability to observe conditions and to write his viewpoint without camouflage, this information will be of interest both to his chief and to the credit department.

There must be complete harmony, good understanding, frequent counseling and co-operation between the credit and sales departments. Both are vitally interested in the success of their house. They should work together with all other departments so that the business may be well and profitably managed and that its trade may be well served.

The "Sales Credit Man"

A Transformation Called for Nowadays

By Marshall Robinson

Crane Co., San Francisco.

THE science of credit granting and the vocation of credit man is not fully developed and there is room for material progress, especially in methods, as we all know. Even to this day the opinion actually prevails in some concerns that the chief object in life of the credit man is to find some excuse for turning down an order. Some salesmen think that the credit man has a very poor appreciation of what the salesman has to contend with and that the credit man is even a "killer" of business. On the other hand the credit man believes that the salesman often fails to realize the responsibility of the credit man in passing out the company's money, or goods, which is the same thing; and that often there is not the proper co-operation from the sales department. The truth is that neither department understands as clearly as it should the attitude and workings of the other. This understanding can be brought about only by a persistent, steady campaign of education.

The heads of these two departments have forgotten that the whole is a business and not a collection of departments. Although both may be very capable men, their outlook is not broad enough. They must have the vision of the organization as a whole before they can constantly, especially in these days.

In previous days the qualifications of a credit man were supposed to be those of a good accountant. He was then, (and usually is now), selected from the accounting department. As a rule he had little or no knowledge of the product which his company handled. He never had any selling experience, either on the floor or on the road. He was not in the habit of meeting the customers of the company to any great extent and as a rule was unable to get the point of view and the vision of the sales department.

Times have changed. The successful credit manager must know the goods his house handles, or at least have a good working knowledge of the line. He should be a fairly good mixer and be able to meet the trade and to make friends.

Much more can be accomplished by personal contact than by the writing letters. It is hard to put the right personal touch into letters. But, if you can call him "Bill" perhaps you can get somewhere. The credit man must have a thorough knowledge of credits, finance, banking, commercial law and business management, in short must know the game from the technical side. Then, he must be a good salesman. *If he is not a good salesman he is not a good credit man.* He has got to sell his house to its customers. On top of all this he must be just exactly as anxious to make sales as the sales manager. He must take all reasonable chances, tempered with the knowledge that he is the custodian of the firm's money and that he is loaning it out to its customers.

TOO CAUTIOUS

Most credit men are too cautious and too much afraid of losing the firm's money. Perhaps some of them are too much afraid of their own records, and what bad debts will amount to during the year. Many a credit man has turned down an applicant for credit, only to see him establish credit with some other house and then have the customer meet with success and remain loyal to the house that extended the credit in the first place. Consider the profits lost on that account. Of course credit should not be extended to everyone; but I believe there is often too much caution. Study the sales department, learn what it is doing, get the sales end of the business thoroughly into your system, get the desire for more business, more customers, more profits. Add this to your regular qualifications as a credit man and you will be what I consider a Sales Credit Man—a man worthy of the position he holds.

In your work in the Credit Department endeavor to watch your accounts for the sales end. If an account falls off in volume, take it up with the salesman or the sales department. If you open a new account advise the salesman in whose territory the account is located. Send copies of all letters written

The Musketeers of Credit



by you to the salesman interested. Every time a salesman is in, talk to him; sell him the credit department. In short, co-operate to the fullest extent by making the salesman thoroughly understand that you are interested as largely as he is in the promotion of sales. And you are, or else your batting average is not what it should be.

If you take some chances in extending credit, do not forget that eternal vigilance is necessary in the matter of collections. Demand your money when it is due and never let up on a systematic campaign of follow-ups until you get it. Nothing is truer than that an aggressive policy in collections, where chances are taken in the ex-

tension of credit, has a great deal to do with keeping down losses. You may lose a few of this class of customers by your aggressiveness, but you may be sure that the ones which you are losing are the weak sisters.

The chief executives of a great many business enterprises are, I believe, open to criticism, because they too do not have the proper vision and conception of what a credit man should be. They load him with a mass of detail work, regard him as a part of the accounting system, and fail to give him the necessary time in which to sell the house to its customers. The time is coming when this viewpoint will be changed, but it will be neces-

sary for the credit man to bring about this change.

Study and absorb the sales department of your company, and try to get a good working knowledge of it. You may thus change yourself from a mere Credit Man to a Sales Credit Man.

Dull Times Note

NEW West Trade pays a glowing tribute to Noah because he successfully floated a company when the rest of the world was in liquidation.

Inter-Mountain Credits

Adjustment Bureau Maintains Stadility

By B. J. A. Dirks

Mgr., Adjustment Bureau, Boise Assn. of Credit Men

DURING the past twelve months there have been more embarrassed debtors in Utah and Idaho than in any like period. I emphasize the word embarrassed. They were not all insolvent; for in many, if not most cases, there were ample assets with which to pay every dollar owed if only it were possible to convert the assets into liquid form. With business paralyzed, however, this has not been possible. The situation has been filled with difficulties requiring care, promptness, sympathy and co-operation. How have the credit men of the inter-mountain region been meeting it? The answer is through their adjustment bureaus at Boise and Salt Lake.

When we find a debtor in failing circumstances, in our territory it has become the rule to ask him to make a voluntary assignment for the benefit of his creditors to the Boise Association of Credit Men. The insolvent debtor,—and fully 95 per cent. of them are reasonably honest,—shrinks at the thought of having his affairs handled through the bankruptcy court with its attendant publicity and loss. He knows that not a penny will be left for the debtor and probably few for the creditors.

We take the assignment. What shall we do about disposing of the assets? The most expeditious and easiest way is, of course, to call the professional bankruptcy stock buyer, or the auctioneer who, after certain publicity, will dispose of the stock and fixtures for what they will bring. But in most instances, we find that by prudent handling the business may be continued for a time, as a self sustaining going concern, not perhaps directly profitable, but indirectly profitable for by continuing the business we often find someone with capital who desires to engage in the same business. It may be a neighbor who feels that he can profit by the errors of judgment of the embarrassed merchant and make a success of the venture. He will purchase the business as a going concern at a fair price, seldom below 75 cents and not unrarely even for 100 cents on the dollar.

Not infrequently the insolvent estate, by careful nursing and handling, necessarily requiring time, careful

thought and planning, can be made to pay creditors dollar for dollar and leave some thing to turn back to the erstwhile insolvent. Indeed we have done this more than once through our Boise bureau. Here are some examples:

About a year ago a co-partnership doing business in Boise was threatened with attachment proceedings by a bank with a claim of \$4000 past due. The bureau was called in, and after making a thorough investigation, found the firm solvent. Its assets exceeded the liabilities. It was, however, in a position to make satisfactory arrangements with the bank. We took an assignment, prevailed upon one of the co-partners to sell his interest to the other partner for a nominal sum, operated the business for nine months and then paid all creditors in full and turned the business back to its owner.

The Valley Mercantile Co., Bruneau, Idaho, failed. There was a stock or merchandise depleted in all departments and accounts receivable hoary with age and scattered over a radius of 150 miles. Believing that the business could be operated at a profit, we replenished the stock, placed a collector in the field, and in two years and four months paid all liabilities, amounting to more than \$25,000, allowed the debtors to draw \$2500 in cash and merchandise in the meantime, and turned the business back to the owners with a net profit of \$5000.

More recently a concern in New Meadows, Idaho, came into the hands of the bureau by assignment. At the outset this case appeared to be quite hopeless. We placed the business on a strictly cash basis, corrected glaring defects in management and after operating for one year and four months disposed of the business at 100 cents on the dollar, paid every creditor in full, and returned the debtors' capital with a profit of \$5000.

We recently disposed of a stock of general merchandise at Wilder, Ohio, at 75 and 90 cents on the dollar that was assigned to us in November, 1920. At that time we were unable to find a purchaser who would pay a fair price. Believing that by careful handling, the business would carry its own burden and should not be sacrificed, we continued the business in the regular way, gradually reduced the stock, paid four dividends of 10 per cent. each, closed the accounts receivable by notes, and can now assure creditors of a 100 per cent settlement without cost to them. All expenses including bureau commissions are charged against the debtor whose interests in the business have been safeguarded in the same spirit as the interests of his creditors.

These cases merely illustrate what may be accomplished if the full intent and purpose of a trust agreement between the debtor and the trustee is carried out.

The question is largely one of individuality, character, energy and ordinary ability. Bearing in mind the trust feature that is involved in every failure followed by a voluntary assignment or bankruptcy we can see that the task is not an easy one, not such as can be handled in an indifferent or careless manner. The aim must be to handle the business in such manner as to realize the best from the assets, and apply the returns in accordance with the principles involved in handling and disposing of trust funds,—a square deal for everybody.

Centralized Control for Adjustment Bureaus

THE conviction that the National Association of Credit Men should work for more centralized national control of Adjustment Bureaus, in order to secure uniformity in practice and fees, was vigorously expressed at a conference of the Adjustment and Interchange Bureau managers of Ohio, Michigan, West Virginia, Indiana and Kentucky held recently at Cincinnati.

One of the weaknesses of the Association's Adjustment Bureau movement being insufficient supervision from the national center, it was the unanimous opinion that the possible results obtainable from Adjustment Bureau service could not be realized until this supervision had been established.

The managers present pledged themselves to work for the adoption of a proper central control at all credit men's meetings, state and national.

There were present the following Adjustment Bureau and Credit Interchange managers: Geo. B. Cole, Toledo; O. A. Montgomery, Detroit; A. C. Shelton, Dayton; E. V. Townsend, Huntington; J. R. Goldstein, Youngstown; and J. G. Romer, Milwaukee.

Besides the managers there was present: C. H. Saberton, Evansville, Ind.; R. Hagan, Louisville, Ky.; J. E. Fagan, Huntington, W. Va.; A. O. Innis, Dayton, O.; J. E. Norvell, Huntington, W. Va.; John L. Richey, Cincinnati, O.

Collection Rates Justified

Lawyers Explain to Credit Men Fifteen Per Cent. Rate

By Joseph K. Drake

As a result of complaints of credit men by members who objected to the rates to the National Association charged for making collections, a joint meeting was arranged for a discussion of the subject by a special committee of the Commercial Law League of America and the Credit Co-operation and Credit Methods Executive Committee of the National Association of Credit Men.

The minutes of this meeting which was held in New York on February 28, 1922, are as follows:

PERSONNEL OF CONFEREES

Representing Commercial Law League of America at the meeting were: Chairman George Wentworth Carr, lawyer, Philadelphia, Pa., past president Commercial Law League of America; Harvey F. Carr, lawyer, Camden, N. J., president New Jersey State Bar Association; Maurice P. Davidson, lawyer, N. Y.; Charles F. Maxwell, lawyer, Des Moines, Iowa; George V. Phipps, lawyer, Boston, Mass.; Edmund P. Sanger, commercial agency representative New York City, Supt. of Offices, Lyon Furniture Mercantile Agency, N. Y.; Marshall F. Wilber, agency representative, Chicago, Ill., president Wilber Mercantile Agency and chairman of conference of Law List Publishers.

This Committee was appointed by the Executive Committee of the League to meet with an appropriate committee of the National Association of Credit Men and give reasons why, in the judgment of the League, present collection rates should be retained.

Representing the National Association of Credit Men were the following members of the Credit Co-operation and Credit Methods Executive Committee: Chairman E. W. Shepard, Western Electric Co., New York; I. Deutsch, Steinfeld Bros., New York; Arthur Mahony, Sargent & Co., New Haven; F. H. Skinner, Janeway & Carpenter, New Brunswick, N. J.; H. W. Utter, Clafin's Inc., New York and Mrs. E. S. Taylor, A. K. Schwenk & Co., Philadelphia, Pa. Also National Sec. Treas. Tregoe and Rodman Gilder, Managing Editor of the CREDIT MONTHLY.

There were also present: Sec. A. H. Alexander, Credit Men's Association; C. A. Burrell, Motor & Accessories Manufacturers Assn., N. Y., and H. D. Clark, Toy Manufacturers of U. S. A., N. Y.

Chairman Shepard explained that

Better Service from Attorneys

A PROMINENT western attorney writing to another lawyer active in collection work expresses the appreciative attitude of the members of the Commercial Law League of America in a letter in which he says:

"We feel that not only alone this office, but all other commercial offices around the country, will get busy in an effort to give better service, thus showing appreciation."

numerous complaints had been received at the office of the National Association of Credit Men regarding the rates charged by lawyers handling collections and by collection agencies, in these days when every effort was being made by the commercial interests of the country to reduce expenses all along the line.

LEAGUE ARGUMENTS

The League arguments may be summarized as follows:

There had been no general increase in collection rates prior to 1917; the present rates—namely 15 per cent on accounts up to \$300; 8 per cent on excess to \$1000; 4 per cent on excess of \$1000 had been established by the League in 1917 not as a measure taken on account of war-time costs of doing business, but for the purpose of (a) improving the service and (b) making it possible for conscientious, high-grade lawyers and collection agencies to serve their clients at a profit.

Before the uniform rate was established the credit man never knew what collection costs would be in a given locality. More than 400 bar associations established rates higher than 15 per cent and were persuaded to reduce these rates, sometimes as high as 25 per cent or more, to the League rate of 15 per cent.

Credit men have been receiving since 1917 better service than before and might well look into the question as to whether in fact they were not making their collections at a cheaper cost than was the case before the establishment of the present rates, and consequently drawing into this line a better and increased number of reputable lawyers and agencies. Since 1917 there have

been fewer defalcations; only one collection agency has failed and that was one that cut rates below the League schedule. The League now has 8000 members and a virtual membership of from 12,000 to 15,000 because often only one membership is held in a firm of several lawyers.

If the service now rendered by members of the League is not as yet all that credit men desire it should be, is it to be expected that a reduction of rates will improve the service?

Credit men who would not think of entrusting a bank balance or merchandise to an unknown party, often place in the hands of a collection agency (sometimes operated by disbarred lawyers) many thousands of dollars worth of accounts. The results of this lack of care in looking up the responsibility of a collection agency before employing it are usually unhappy.

The League has the power to discipline its members. It supplies a tribunal to which the credit man can readily refer cases of malpractice on the part of its members.

COSTS

Mr. Maxwell who handles about 75 per cent of the collection business that centers in Des Moines, declared that in January there was a deficiency in his office of \$300. It still costs every business man about 16 cents for every letter he writes. Stenographic salaries have almost doubled since the period before 1917. Collection expenses are all cash expenses, whereas income is deferred.

Mr. Sanger declared that his office had a 91 per cent increase in operating expenses over 1917.

IF RATES WERE REDUCED

The consequences of returning to a 10 per cent rate would be (a) to drive out of this business the better type of lawyers and collection agencies, (b) to cause bar associations all over the country to establish rates of at least 15 per cent and probably much higher, (c) to throw the vast amount of business in this line into the hands of unethical and disreputable men.

REMARKS

Reputable commercial lawyers and collection agencies are to be found in nearly every community, and where absent, the right type of man can be encouraged to take up these lines of activity. In order that the credit man, anxious to improve conditions and willing to pay a fair compensation, may be protected, it was suggested that each local credit men's association might well appoint a committee on Commercial Lawyers and Collection Agencies to compile information concerning the reputation for honesty and efficiency of

lawyers and agencies handling collections in its community and to furnish such information, in confidence, to members so they may be able to make an intelligent selection.

Mr. Burrell remarked that the volume of commercial law business must be larger than heretofore. Mr. Maxwell replied that the volume is larger, but that the business costs more to handle and that the proportion of collectible accounts is lower.

Mr. Alexander opined that the League should cause to be enacted in the various states laws suppressing the crooked collection agency; if the League did this, the average credit man would listen more readily to the League's declaration that the present rates were reasonable.

Mr. Burrell recommended as a safe and effective procedure the dealing exclusively with first class lawyers and first class collection agencies.

CONCLUSIONS

After very careful consideration given to the arguments of the committee of the Law League of America and of those favoring a reduction in collection costs, our committee reached the following conclusions:

1. That commercial law practice has not attracted a sufficient number of the higher class of attorneys; and it would be unfortunate to take any action that would discourage men of this type from taking up commercial practice or that would make it difficult for those who are devoting their efforts to it to maintain their position.

2. It is evident the credit man has not exercised sufficient forethought in the selection of an agency or medium for the collection or adjustment of delinquent and embarrassed accounts. For this reason the undesirable agency or medium has flourished too largely and has cast reflections on collection service in general.

3. It is obvious that the elimination of dishonest or inefficient commercial lawyers or commercial agencies is almost wholly in the power of the credit man. If he will refuse business to any but those unquestionably fit, the other sort will soon die of financial starvation.

4. The American Bar Association and the Commercial Law League of America should institute educational systems for training members of the bar in the ideals of the profession, in order that lawyers may understand their obligations and what they may do in commercial field practice. This is most desirable ethically. The National Association of Credit Men on its part is endeavoring through educational process to develop the credit manager into a better knowledge of his obligations in the handling of accounts and the selection of those in whom his confidence should be placed.

5. It is evident that the costs of commercial law practice have not abated as have other costs. It seems injudicious, therefore, to insist on the low-

ering of collection rates when in so doing the higher class of attorneys might find the practice unprofitable and leave it in undesirable and unsafe hands.

6. The necessity for uniform rates is recognized; and it is the consensus of opinion that no action should be taken at this time which might bring back the unsatisfactory conditions that existed prior to the establishment of uniform rates by the Commercial Law League of America.

7. With the American Bar Association and the Commercial Law League of America striving to do their part, and the National Association of Credit Men striving to develop better practices among credit managers, in the handling of delinquent and embarrassed accounts, the net cost of collections is sure to be reduced. Moreover, there will be the satisfaction always derived from the successful handling of the delicate problems of adjustment.

The Legislative Hopper Bills of Importance to American Business By R. Preston Shealey

Washington Correspondent of the Credit Monthly

PROPHECYING what Congress will do from session to session is a difficult contract to handle, but now and then forecasts happen to hit the mark. Of the four outstanding legislative proposals which the February issue of the CREDIT MONTHLY predicted would come out of the legislative hopper during this session, three are now either written in our law or in a fair way soon to be written there.

Of the four, the Foreign Refunding Bill is now a law; the Tariff Bill has passed the House, and at the date of writing, has been reported to the Senate by the Finance Committee; and the Soldiers' Bonus has passed the House and is now being considered by the Senate Finance Committee. The fourth matter, farmers' relief, has not made as much progress as the others, possibly from the fact that the farmers' representatives in Washington seem to be much more interested in Henry Ford's proposition in regard to Muscle Shoals than in other proposals for farmers' relief.

While these matters of far-reaching importance to the Nation are getting columns of space day by day in the press, the one feature of legislation of prime importance to credit men,—especially through their interest in commercial fraud prosecution cases,—has not received much attention. I allude to the fact that on April 7 the Senate passed the Increase of Judges Bill containing the provision for an annual conference in Washington to be presided over by the Chief Justice, and having for its object the relief of congestion in the United States courts. How great this congestion is, is indicated by the last annual report of the Attorney-General, which

showed that on June 30, 1921, over one hundred thousand cases, or more than ten thousand on an average in each United States District Court, were pending in these courts. Detailed, these cases are as follows: Civil cases to which the United States is a party, 9,728; criminal prosecutions to which the United States is a party, 57,112; suits to which the United States is not a party, 38,221; and bankruptcy cases, 37,341.

Matching this splendid effort of the Chief Justice of the United States and those in the Senate and House who have fought for this important reform in our judicial system, is the fact that Congress has passed and there has been signed by the President the law which will provide adequate salaries for the Commissioner of Patents and his staff of assistants and examiners, the nature of whose work requires that they be men of high technical skill. Expeditious handling of patent applications means much to the business interests of the United States; and this law is expected to meet this important need. Yet, on the other hand, hearings are progressing on a bill relating to the general subject of patents and of really prime importance, which is becoming a subject of controversy. On March 16, 1922, Senator Stanley of Kentucky introduced a bill providing for the amendment of Section 4887 of the Revised Statutes relating to patents, and this bill has the strong endorsement through a letter of Secretary of War Weeks. If it becomes a law, it will compel patentees, under certain conditions to use their patents or lose their rights. Its importance can be easily realized.

Daniel B. Murphy

"IN its exalted mission it knows no competitor: it has none. It stands alone among the business organizations in its successful efforts in battling for the right and in up-building character, manhood and efficiency along all lines of commercial and financial activities. Its fundamental principles are based squarely on all that is conducive to elevating and ennobling human life and human endeavor.

"The conception of this organization was an inspiration worthy of the highest genius. It has justified its existence. Its ambition is well nigh sublime in the integrity of its purpose and in the attainment of a higher morality in the practices of business methods."

These were the words of Daniel B. Murphy, who died on April 8 at the age of 73. He was one of the founders of the National Association of Credit Men and a member of that galaxy of business men who got the vision at Toledo in 1896 that led to the founding of a new organization.

He brought to the business house with which he was connected for 43 years, Burke, Fitz-Simon, Hone & Co., an educated mind, having had the advantage of a liberal education sustained by several years of teaching in important schools. He brought to the Toledo convention a mature business mind having at that time been associated with his house 21 years and having attained the age of 48.

Mr. Murphy was a man of action. Immediately upon the conclusion of the Toledo convention he returned to his home city and, gathering together its leading financial men, formed the Rochester Association of Credit Men, which has always been a loyal standard bearer among the local associations affiliated with the National organization.

Although he had consistently declined elective public service he had become a well known figure in his community by his service, not only in the Rochester Association of Credit Men but the Rochester Chamber of Commerce. He was the choice at one time of both parties as candidate for Mayor of the city, but refused, and was later sought by the Democratic party to run for Congress. This honor he declined.

Philanthropic work had for him a strong appeal; and for 25 years he was a member of the board of managers of the Craig Colony for Epileptics. The appointment came to him from successive governors of New York State. He also served



August J. Bulte

Tragic Death in Flying Boat Accident

THE loss of the flying boat, Miss Miami, off the coast of Florida on March 27, when six men and women lost their lives, deprived the credit world of a prominent figure, that of Aug. J. Bulte, Kansas City.

Mr. Bulte was born in St. Louis in 1862. At an early age he entered his father's firm, Myer & Bulte, a 1,000 barrel flour mill. In 1901 he bought out the Myer interest and in 1905 founded the August J. Bulte Milling Co. A few years later he became one of the managers of the Larabee milling interests. He was soon made vice-president and was a leader in the transaction of merging several interests with the Larabee company and in the erection of the new Larabee Mill at St. Joseph, Mo. For the last year Mr. Bulte has been the practical head of the corporation, has directed its every interest and has made a notable record in the milling industry of the Southwest. He had a keen knowledge of the foreign as well as the domestic flour trade; and his company was one of the first to send a direct representative to Europe after the armistice to renew European connections.

The Larabee Flour Mills Corporation has been an active member since 1913 of the Kansas City Credit Men's Association.

as president of the New York State Board of Charities, and was an active member of the State Charities' Aid Association. He was well known in Catholic church circles in Rochester and was for many years and until the time of his death, a trustee of St. Patrick's Cathedral.

The National Association of Credit Men will always honor such men as Mr. Murphy. There is none who can fail to see that it was because of the high ideals of the men of 1896 that the Association was able to build strongly and to endure.

Howard Russell Slade

HOWARD Russell Slade, one of the charter members of the National Association of Credit Men died April 10. His connection with the work of credit men's associations long ante-dated the formation of the Providence association, of which he was an active member, for he had been an energetic individual member of the National organization and had represented it for years before the Rhode Island legislature in advancing credit legislation.

Mr. Slade knew the value of establishing a sound credit. When he entered with other young men into the paint and chemical business under the name of Westcott, Slade & Balcom Co., the young men composing the concern could not exhibit to their creditors a balance sheet freighted with capital, but they did not have to prove their possession of character and capacity and on the strength of these qualities they were given liberal credits. These young men made good and built up one of the large business houses of Rhode Island.

Mr. Slade was deeply interested in public affairs and at the time of his death was serving Providence ably as a member of the Common Council.

Conscience in Credit Interchange

R. E. Cunningham of the National Oil Co., Great Falls, Mont., recently received from a fellow credit man who had given favorable information in connection with a credit interchange, the following letter:

"Owing to mismanagement, the Blank Co. is now in bad shape and not entitled to further credit.

"Since I have recommended them highly, I deem it my duty to see to it that the account they may now owe you will be paid and I wish you would let me know how much they owe you."

Here is an example of unusual conscientiousness in credit interchange. The writer had given as he thought the correct signal to go ahead and open the credit. He found he had been mistaken and wanted to do his utmost to make amends. It is a highly commendable spirit. No man, however, should be held accountable for giving credit information that afterwards is found wrong, provided he was careful and sincere in furnishing it.



Cross

Norvell

Tuttle

Tregoe

McIntosh

Weir

Davies

Around the Directors' Table

The Directors of the National Association of Credit Men, representing diverse industries and all sections of the country, have consented to contribute regularly to this department---THE EDITOR

Are You Prompt or Tardy?

By Vice Pres. John E. Norvell
Norvell-Chambers Shoe Co.
Huntington, W. Va.

THE justification for the organization and operation of the Adjustment Bureaus of the National Association of Credit Men as an additional feature or department of service is now being fully demonstrated, but they are prevented from functioning at their highest efficiency for the lack of prompt and proper co-operation on the part of certain credit managers.

Friendly adjustments can be undertaken and accomplished only by unanimous consent and approval of all creditors; and generally quick action is necessary to avoid losses on perishable goods, or to meet other exigencies which arise from time to time.

If our credit managers but realized the serious reflection their tardiness casts upon the Adjustment Bureau and the incidental slowing down of its efforts to be of *real service*, they would respond more promptly when called upon for their co-operation.

The credit manager who is prompt and alert cannot understand why so much time is consumed in doing the preliminary work incidental to taking over an estate for friendly adjustment. Naturally he charges the delay to the Bureau, when, as a matter of fact as many as three letters and frequently a telegram are necessary to get proper attention from laggard creditors. This is all lost motion and quite unnecessary. It gives rise to unjust criticism of the

Bureau by those who do not understand the causes of delay. Incidentally additional office help for "follow-up" is made necessary by these slow creditors who are not alert enough to join in the protection of their own interests.

As a member and contributor to this service, as well as one vitally interested in its progress and success, may I not impress upon the mind of each credit manager the necessity of prompt and vigorous action when called upon to perform his part. It is only by united effort and action that we can hope to succeed and render that service which our members expect, and to which they are justly entitled.

A Working Balance at the Bank

By Director R. T. Baden

Holland, Baden & Ramsey,
Baltimore, Md.

A point of business service comes to my attention in my work as a member of the board of directors of a Baltimore bank.

Customers whose deposits and record of business at the bank are too small to warrant favors come to the bank for a loan of say \$1,000. Their financial statement, partly verified perhaps, and their record with the trade are not bad; but they try to borrow without carrying a reasonable balance; and the natural tendency of a Board of Directors is to turn down their requests.

The thing for these customers to do is to create a good impression at the bank by keeping a decent working balance. Thus they do the bank a favor and the bank will be the bet-

ter disposed to favor them. Business Service advocates—and may their ilk grow more numerous every year—are constantly urging that the credit man help the smaller business man in establishing himself in the good graces of his banker. The one best way to attain that result, to my mind, is here pointed out.

I hope there are many credit men who will take this suggestion to heart.

Low Average Cost of Attending Convention

By Director H. C. Bainbridge
Chas. T. Bainbridge's Sons, Brooklyn, N. Y.

GETTING to the San Francisco Convention of the National Association of Credit Men in 1921 represented a far heavier investment of time and money on the part of New York members of the Association than attending the 27th Annual Convention next June at Indianapolis. The New York Credit Men's Association and other Atlantic Coast Associations of credit men were well represented on the Pacific in 1921. I look for an even greater enrollment of Eastern delegates at Indianapolis, June 6 to 9.

In these days every source of credit information must be used during the long business recovery through which we are passing. A visit to the Middle West with the scores of intimate business contacts that a convention delegate is able to make is an invaluable experience to any business man. Many thousands of dollars have been saved by one fortunate piece of information derived in personal conversation at



Gossard

Collinsworth

House

Gardiner

Baden

Simpson

Snyder



Couch

Dupuis

Day

Bethel

Hill

Jaynes

Jordan

such gatherings as our Annual Convention. Moreover the location of the Convention this year almost at the exact population center of the country means that the average cost of attending the Convention for members located in all parts of the country is cut down to a minimum. For these reasons many credit men are already making their plans to attend the Great Credit Congress of 1922.

How's Business?

By Director Freas B. Snyder
W. C. Hamilton & Sons, Mignon, Pa.

EVERYWHERE you go, every man you meet, has one eternal question on his tongue, "How's business?" It is a most natural question, considering the long period of depression and despair which is now behind us. Business, as we find it is getting better. Not rapidly and consistently, but slowly and in a spotty way. Two or three weeks of good business is followed by an equal period of poor business. Orders do not accumulate fast enough to put your mind at rest as to the operating problem for a long time in advance, yet each peak of activity is a little higher than the previous one and each valley of depression strikes bottom a little higher than the bed of the one before. When we come to check up at the end of the month we find that despite our fears over the bad periods we have really done better than we had expected.

On an automobile tour in the late afternoon, when we are tired and dusty, our destination seems to recede. At each turn of the road we expect to find it; but it is only a mirage. At last, all of a sudden, we come over a ridge and there it lies before us, inviting, restful, comfortable. So are we coming out of our troubles. Intent on each mile of the road, we will not realize our progress until we have arrived.

Personal Opportunities for Development

By Director T. K. Cree

The Alling & Cory Co., Pittsburgh, Pa.

THE National Association of Credit Men should try to arouse the interest of the individual member to the possibilities of his own personal development through active work in the Association. Far too many members fail to recognize the advantages of the enlarged circle of acquaintance which is open to those who use the opportunity to participate on committees and in the meetings. As a rule a large majority in every organization is satisfied to sit back and allow a few to devote their time and energy to carry on the work and try to solve the problems vital to every credit man. The active help and co-operation of every member should be encouraged, cultivated and insisted upon. We should play up and dwell upon the idea of mutual interest and responsibility long before the Holding Committee gets into action, so that every member when he pays his dues, may know just why he is a member and just what the Association is accomplishing.

Who Pays and Why?

By Director Roy G. Elliot
Jaques Mfg. Co., Chicago, Ill.

THE records of the Bankruptcy Courts show an insignificant average return to creditors in cases liquidated through that channel. The records of the Adjustment Bureaus of the National Association of Credit Men show an average return to creditors several times as great.

Where does the difference go?

It goes for attorney fees and administration cost and in shrinkage of assets or the failure to realize properly on assets; it goes for many expenses which are absent in friendly

adjustment of embarrassed estates.

Who profits?

In many cases, the bankruptcy sharks who grow fat on the creditors' money are those who profit.

How do they get into these cases?

They get in because some credit men turn claims over to these attorneys for collection and find the claims used for filing bankruptcy petitions without the authority or consent of the credit men.

The credit man can stop this waste, if he wishes, by

1. Refusing to be a party to a petition in bankruptcy except in case of fraud and where a substantial part of the indebtedness is represented by his own account. A minor creditor has no justification for forcing his will on creditors who are carrying the burden.

2. Prompt and definite action where creditors' claims are misused. This includes the obligation for action against attorneys who use claims without authority in filing bankruptcy petitions.

Co-operation in friendly adjustment through our own Adjustment Bureaus will mean larger dividends in cases of embarrassment or insolvency.

A Real Get-Together of Credit Men

By Director C. L. Davies
Ridenour-Baker Grocery Co.,
Kansas City, Mo.

A GROUP of credit managers connected with wholesale grocery houses of the Kansas City market, have been getting together regularly for the past eight years in an effort to save money for their houses and to better credit conditions.

The group is so informal that it has adopted no name and it has no officers. A call is sent out monthly for a meeting. Each member house sends to the credit manager selected to receive it, a list of fifteen names concerning which information is desired. When all the lists reach the credit manager in question, each name is transcribed on a form so ar-



Elliott

Scherer

Cree

Bainbridge

Hall

Adams

Peoples

ranged that it has columns for pertinent points of information, such as amount owing and a line for each member of the group to fill in the information he has to offer under each head. There may be as many as 200 of these names sent in for discussion. As soon as the names have been transcribed to the forms, each house then is sent 200 of these forms each with the name of a customer whom some one has asked about and his location indicated. In the group are fifteen houses represented, and consequently there are fifteen designated letters used as a code. The day before the meeting each house fills in opposite its designated letter its experience with the customer whose name is on the form. After each house has filled in its experience on the customers it sells, the forms are turned over to the credit manager of the house who attends the meeting the next day.

The credit managers then range themselves in alphabetical order around a large table and the credit manager whose house is designated as A, calls the name of a customer, the location, and immediately gives his experience, if he is selling. B follows with his experience, and so around until the experience of all of those selling this particular customer has been given. The form shows the total indebtedness represented at the meeting. As experience is given, the account is discussed if anyone has anything in particular to offer. Sometimes there is a matter of unjust deductions in the way of discount, merchandise, etc. Sometimes it is found that the merchant is so heavily involved that action has to be taken; and all immediately get together and send an adjustor to the men's place of business to determine whether there is in him so little of promise as to warrant his elimination from the mercantile word as hopeless. Often some credit manager has been in the man's store and knows something about him through personal contact.

It is customary for everyone to note all of the experiences offered, whether his is selling or not; because when, later, a new account comes up, reference may be made to the file and very often an undesirable account is kept off the books through knowing of unfavorable experiences of others. This follows to some extent the Trade Group idea that goes more into detail and takes more time. In this particular instance, out of town houses in the particular market referred to, come to the one center and spend whatever time is necessary. Usually lunch is served and the en-

tire afternoon is devoted to the exchanging of information on accounts listed. Thousands of dollars have been saved through these meetings and in a great many cases, unfair practices have been wiped out by the close co-operation of men representing their one line of business.

Recently the hardware men in the Kansas City market have started on a similar plan. They will undoubtedly obtain the same benefits that have come to the wholesale grocers. This close co-operation is a fine example of what can be done and clearly indicates that there should never be any competition whatever in credit granting.

Ratio Versus the Human Element

By Director R. C. B. Adams

National Commercial Bank & Trust Co.,
Albany, N. Y.

DURING the past twelve or eighteen months much has been said about getting back to a pre-war basis. In order to attain this end we have had to do some reconstruction work such as few of even the older and more experienced men of industry have ever been called on to do. The result has been to accomplish much in re-moulding our financial structure so that commodities might be produced to sell in the market at prices within reach of shrunken incomes and at the same time yield the essential profit.

With this new condition the question has been raised, "How has such a transformation been accomplished?"

It would appear that two most important elements have been brought into play: "The Ratio of Figures" and that other and most important item, "The Human Element."

Some years ago, a bright and analytical financial mind coined a phrase form, since taken up generally by credit men and economists,—the ratio of Quick or Current Assets to Liabilities, or the ratio of Accounts Receivable to Merchandise, etc. With some, this form has become so fixed in their financial vocabulary, that they think and deal only in terms of ratio. It is not to be denied that the theory of ratios is a great convenience, but it should not eclipse the element of brawn and brain which after all is so important in the conduct of every business.

Is it not true that deflation and return to financial and business normalcy have been accomplished, not alone with the aid of the slide rule, and proper ratio (however desirable that method may be) but by bring-

ing into play that other important factor—"The Human Element"?

Have not some bankers (I regret to say all have not) said to some of their depositors and borrowers, after studying a financial statement which showed a frozen condition of their assets, "Your statement is a poor one, but we have faith and confidence in you as a man; we place our trust in you and not in your figures. Put your talents and energy, therefore, at work and we will see you through."

The World War was not won merely through man power, but by the personalities and human element of those who threw themselves into battle determined to win. It was not numbers of men that counted but the spirit of the men.

The most ingenious piece of machinery is perfect only in so far as the human judgment and mind are able to guide it. The danger which threatens our future success and prosperity is the danger of minds over trained in figures. If too much time is consumed in running the machinery of the commercial structure, no time or opportunity is left for one to get close to the heart or human side of those with whom they work.

Merchant princes in the past two years have gone deep into their personal resources to help tide over the temporary period of decreased business and loss in operation in their firms, that they might still live. They believed in the men they had chosen to pilot their ships of commerce.

What is the proper ratio of "Figures" to the "Human Element"? Who will say that Capital comes ahead of Character? One may gain the whole world, but lose his soul. And if this is true, then the ratio of figures counts for naught. Hence there is great danger that we place too much stress on the question whether a financial statement shows that there are two or three dollars of assets to pay for every dollar of liabilities.

Have we not gone too far in our propaganda and preaching about ratios? Has it not been at the expense of stifling the ambition and character of the merchant or manufacturer who is trying to rear in his community a business which will bring not only a profit to himself, but life, liberty and the pursuit of happiness to those who come under his direction?

What we need today, tomorrow and every day in the future to re-establish confidence and commercial prosperity is not merely the prescribed ratio of assets to liabilities

(Continued on page 44)

A Radio Talk to Credit Men

By Alfred B. Haake

Prof. of Economics, Univ. of Wis.



Photograph of Prof. Haake taken during the lecture on Credit given by radiophone on March 15, 1922, at Madison, Wis., to a meeting of the Oshkosh Association of Credit Men at Oshkosh, 90 miles away. L. M. Outland, R. G. Dun & Co., and Francis Lamb, Ellis-Austin Co., C. P. A., arranged this novel feature of the program. W. R. Shambeau, Crane Co., erected the wireless set and was in charge of receiving. Besides the lecture, weather, market reports, etc., were heard. Prof. Haake will assume this Fall the directorship of the newly created department of Economics at Rutgers College, New Brunswick, N. J.

AS credit men you are custodians of the most important commodity in the world. The vast bulk of modern business is carried on by means of credit. Credit is the great storehouse of value, the great tonic of industry and commerce. In fact it is the very basis of modern industrial and commercial life. Without credit our civilization would drop back a thousand years.

As custodians of the credit structure, the men who determine the volume and quality of credit, you perform a vitally important function in the business world. You can in no small measure influence the coming and going of crises, panics and depressions; for by your decision does the volume of credit largely expand or contract, by your judgment to a considerable extent can be determined the liquidity of credit. It is true that the bank is probably the largest single factor in this process, but the credit men in commercial and industrial concerns are scarcely less so.

You have large balances owing yourselves. You granted credit, perhaps generously, to dealers or other persons whom you considered good for the line extended to them. You confidently expected that they would be able to pay. And then came the present drawn-out crisis and depression. The buyer went on strike. He either did not buy, or, when he bought, could not pay, at least not to the same extent as before. The retailer, unable to collect or to turn his goods into cash, has had to hold off the wholesaler; then the jobber and manufacturer felt the pressure. Now everybody is wondering why we are hard up.

You must collect. But you can't collect what isn't or what the other fellow does not have. And you cannot wish money into his pocket so that he can pay you. I am afraid that many credit men are in the same fix as the farmer whose hired man owed him a lot of work and then broke his leg. No use to cuss the hired man or anybody else. The

thing to do is to get the leg fixed up as soon as possible. The present situation calls for a return to sound principles of business, a careful nursing of the retailer and other debtors, in order that they may be helped back on their feet.

The time to have remedied the present situation was several years ago, when everybody was buying like a crazy man. The extensions of credit were over optimistic, too generous, indiscriminate, too shortsighted. We pay for our mistakes after we make them.

There are many factors to consider, of course, and it is dangerous to hold up any one thing as a remedy. But if I were to select the most important of them, I should say "liquidity of credit."

KEEP ASSETS LIQUID

A business man should at all times keep his assets as highly liquid as possible. Especially should he educate his customers to keep their assets liquid. We must curb optimism in time to prevent the use of large amounts of credit for fixed investments. Ideally, demand obligations should be supported only by cash or stuff readily turned at its full value into cash. Crises can be anticipated with some certainty, and it behooves every credit man to put on the brakes in time. We permit our customers all too often to buy heavily when we ourselves should be curtailing in anticipation of the smash.

On the other hand, we must learn to put away our pessimism a little sooner. *We not only wait too long before slowing up, but we also wait too long before starting up again after the depression has set in.* And when we do start it is often with a jerk that tears at the machinery.

The present situation consists for the most part of water that has gone under the bridge. We can only help the debtor to get back on his feet as quickly as possible, in many cases by extending even more credit, and keep going as best we can until money moves freely again and credit has completely thawed out.

It is for tomorrow that we are primarily concerned. The situation calls for a campaign of education, for ourselves as credit men and for our customers as well. We must learn to appreciate the necessity of liquidity in credit at all times, particularly in the latter days of a period of prosperity.

We are at present in a period of recovery. Prices are moving upward, the volume of failures is decreasing. Just how long it will be before we are back to something like

(Continued on page 44)

Credit Education

Address at Sixth Annual Conference of New
England Credit Grantors

By J. Victor Day

Asst. Treasurer, Smith-Patterson Co., Boston

CREDIT education has three aims—the mastery of our profession as a science, as a service and as a joy.

Science is systematized knowledge; and certainly no branch of human endeavor has been subjected to closer scrutiny or more searching investigation than the production, distribution, and consumption of merchandise.

The recognition of the importance of credit education is only of recent development. The personal element enters so largely into the analysis of a credit risk, that even experienced credit men have been, and some are now, extremely sceptical as to the possibilities and worthwhileness of credit education.

This attitude of mind is the natural one, at first, for successful Credit Men to take, for now through costly experience they comply unconsciously with the principles upon which the science of credit is based.

For as language existed before the rules of grammar were conceived, and music thrilled the hearts of men long before the laws of harmony were discovered, so credit, as a function in business, operated before its principles were noted and reduced to a commercial science.

We are prone to regard our profession as being too intangible to be taught. But difficulty of presentation does not justify discouragement or acknowledgment of defeat.

The striking success of our local and national associations and their standing are positive proofs that credit granting can be taught, for our monthly meetings are educational as well as social in character.

Economics, psychology, business English, business barometrics, history and allied subjects all have a bearing upon the successful pursuit of our profession, and should be studied and assimilated. Credit education is, therefore, removed from the realm of intangibility to that of reality.

THE UNITY OF CREDIT

As credit grantors, we need to get a larger conception of our profession. Just as the man who believes that national isolation is now possible is still living in thought prior to the

year 1914, so the dispenser of credit who thinks his influence ends with the checking of an order, is still living in thought in an age when business was confined in its limits and narrow in its scope. The unity of credit is no less a fact than the unity of the world. As one part of the world is now responsive to every other part, so the credit operations of one credit grantor are responsive to the operations of every other credit grantor, the world over.

It is this conception of our work which is back of this credit education movement, and which animates its promoters.

Now science, our first aim, is built about facts; and surely there is no profession in the world where facts are more essential than in the determining of credits. The credit man should always be in a position to say, "Facts, there they are; behold them and judge for yourselves."

There is nothing more galling to any credit man than to find, after a failure, that he had no ground for the extension of credit. If he is true to himself, he will have to admit that, when passing that particular credit, he must have been suffering from a temporary suspension of the mental faculties. What credit man has not been at times through this humiliating experience?

Credit education with science as its aim will develop financial executives, mentally alert, relentless, untiring and persistent in the pursuit and gathering in of facts before the granting of any credit whatsoever.

Science conveys the idea of orderly arrangement. Science, if not always correct, has at least been free from confusion. A disorderly state of mind in a credit grantor is disastrous, for there can be no construction where there is no plan, no continuity of thought, no grasping of all the details of the situation.

A decision of a credit man should be reached, scientifically considered, by successive stages of systematized procedure. The material out of which a decision should be formed is obtained largely by digging into the studies advocated by the National Association of Credit Men.

The experienced credit man may be unconsciously scientific in the conduct of his office, but this doing of the correct thing is the result of many acts, blunders, as well as accuracies. To eliminate errors, or at least reduce them to a minimum, is the purpose of credit education.

In medicine, in surgery, in chemistry, in electricity, the experiences of investigators and experts are recorded, for the information and enlightenment of all who may enter the profession.

Why, then, is it not equally necessary that credit men should have for their guidance the combined knowledge of patient students in every field of effort bearing upon finance? The knowledge acquired in applying oneself to the studies recommended by the National Association of Credit Men is of immediate use.

It is, therefore, not the learning of the pedant or the bookworm that is advocated, but live learning—learning that may be put into action. It is not intended that any study shall lie inert in the mind of the student, but that it shall find its way into the workings of our throbbing, complex, commercial life.

Credit education is essential if one would be an authority in his profession. It is comparatively easy to follow in other men's footsteps, to do what always has been done.

AN EXCUSE THAT EXASPERATES

Nothing is more exasperating to a progressive business man than to have an employee justify acts by falling back on the old excuse that "it had always been done that way."

Credit grantors, like other men, fall into two classes—the appropriators and the creators. The appropriators, those who take things as they find them, without thought of thanks or betterment, and the creators, those to whom present progress is only the starting point of greater achievements.

As scientists, credit grantors may come into the possession of all appropriate knowledge acquired up to the present, but from this point they themselves must "carry on."

Science never tires, never consid-

ers itself incapable of meeting changed conditions. It is a far cry from these days of big finance back to the days of barter and the period when wampum and tobacco served as mediums of exchange. It requires no great exercise of the imagination to visualize the future as being fraught with as great changes in the conduct of commerce. Only the credit man *trained scientifically* can solve the great problems as they arise and add to the massive structure still in process of erection, in such a way that the building will not get out of plumb.

I remember piling up blocks with my little girl. We placed one block on top of the other until to her great joy there were many in height. As I put each succeeding block upon the pile I had to exercise exceeding care to place it on evenly, else the whole thing would topple and fall to the floor.

This, eventually, did happen, and for two reasons; one was because with unskilled fingers I did not build properly, and the other was because the foundation was not broad enough to sustain the structure.

Credit education, involving as it does the study of credit granting as a science, starts with a foundation strong enough to sustain the successive steps of development, which are sure to come, for the granting of credits is still imperfect in its operation. Growth and change and new aspirations fortunately are a part of its character. Were it not so, it would lose, I believe, its fascination as a work, for no man can take pleasure in a profession perfect and complete. There must be in it the possibilities of improvement, of aspirations and of achievement.

THE END IS SERVICE

It is the glory of our profession that scientifically credit work offers an opportunity for the play of all the faculties. It must be borne in mind, moreover, that credit education is not an end; it is a means to an end, and that end is service. It is not merely operation, but co-operation.

The evolution of business has been toward a higher type of transaction. Experience has shown that where two or three are interested in a proposition involving profit, the interests of all are best conserved where consideration is shown for each. The suppression of selfishness in business is thus not only ethically sound, but economically profitable.

Service, however, is measured not only by a disposition to serve, but also by ability to serve. There is nothing more pathetic than good

intentions without the power of making them effective.

Credit education not only reveals opportunities for service, but it shows how service can best be rendered. In some lines of business where the selling prices are largely dictated by the manufacturer, the only thing that the wholesaler can sell is service.

In short, service is interwoven through all the ramifications of business, from the receiving of the order to the shipping of the merchandise and collecting of the bill. The most sensitive part of the entire operation is the passing of credit and the collection of the account, and the more resourceful the credit man, the more satisfying the service.

The credit grantor, called upon as he is for innumerable things, will soon exhaust his resources unless he replenishes them by study and keeping in touch with the advanced thought of the economic world. Having accomplished the first two aims of credit education, science and service, the third great aim follows naturally and inevitably—joy. It is impossible to divorce joy from the mastery of a profession, and the attendant rendering of service.

IF YOU DON'T ENJOY IT, GET OUT

The three aims blend harmoniously. The man who does not enjoy credit work had better get out of it and make room for somebody who does. There is a joy unspeakable to be found in the consciousness of being identified with big things. No man wants to feel that he is a nonentity. It is depressing and stultifying.

Credit education, if followed out according to the plans of the National Institute of Credit, cannot do otherwise than instill in the minds of the student the vital connection of credit granting with all that is best in commercial life.

No drama ever written equals in interest, in tenseness and in dramatic situations, the historical and present movements in industry and in commerce.

There is no joy comparable to watching the play of economic forces and the consciousness of being one of those to guide these forces. The uncertainty of the turn of affairs is what gives charm to the problems of credit men and challenges us to find solutions.

There is a flatness, a staleness, to be found in the cut and dried, that is forever absent from credit work. Much of the significance of passing events is lost to the man who is not a trained observer.

To follow the swift changing movements of life requires a wide reading, a knowledge of history and of world struggles. Credit education seeks to guide the credit grantor into a knowledge of these things, and the man who neglects business culture will soon find himself in the rear of the intelligence of his age.

The heart of the joy in credit education is in the conviction that through getting at the underlying principles of the profession and making them vital in service, one is getting at the real truth of things.

Where this conception of credit work exists, gloom can never gain an entrance into the personality of any credit grantor. This joy is a jealous joy, for it is shared only by those who are willing to pay the price of earnest and prolonged effort.

After a man has followed a profession for many years, he is apt to lose his zest for the work. Some of the illusions of youth have been dispelled and he is likely, if not careful, to become commonplace. Thinking the same thoughts day after day, a macadamized road is run through his brain and he loses sight of the many interesting and instructive things found off the traveled boulevard.

SALVATION FOR THE MAN OF YEARS

If credit education provides an incentive for youth, it offers salvation for the man of years. It is a mistake to conceive of credit education for young credit men only. It is valuable to all. The old order passes away and new things take its place. This fact should be burned into the mind of every individual worker.

We are told that mankind uses only one-third of its mental and spiritual forces. When we think, therefore, of the stupendous possibilities for progress which lie in the utilization of the remaining two-thirds of potential power, residing in nearly every individual; when we think of the tremendous impetus which would be given to the advancement of all good things by the application of this latent energy to the pressing financial problems of the age; when we think that this intellectual and spiritual development is dependent largely upon the intensity of our own desire for improvement; when we think of all these things collectively, we must be stirred to our profoundest depths and fired with a purpose to avail ourselves as credit grantors of every opportunity for education, that each may show himself to be a "workman that needeth not to be ashamed."

The Credoscope

THE CONSTRUCTION GANG OR THE WRECKING CREW



J. H. TREGOE
Secretary-Treasurer,
National Assn. of Credit Men

WE KNOW that business action has no neutral gear. We either advance or fall back. We progress or retrogress. We construct or we destroy. We are negative or positive. In the present business situation when action should be the keynote of every enterprise, the question is very pertinent and timely, Are you a member of the construction gang or of the wrecking crew? If you are thinking merely of liquidations, of how your own accounts can be made safe, of what is going to happen to yourself,—then consciously or unconsciously, you are a full fledged member of the wrecking crew. If you are thinking of conditions on the whole, of what you can do to right them, of what you can accomplish for the flow of business, thinking more of the liquification of the other fellow than yourself,—then you are working on the construction gang and can be rated on the positive side of business enterprise.

These remarks are the result of an extraordinary message just received from a far West member of the National Association of Credit Men. He says that in his immediate district the farmers had fared so badly in 1921 that many despaired of recovering themselves and were disposed to abandon their farms. The banks were loaded with farmers' paper; their own resources were insufficient to carry this load and finance the farmers through another crop. Yet even in the face of this situation, messages of encouragement were sent broadcast and personal conferences held frequently in order to dissuade the disheartened farmer from abandoning the land and taking up a new career perhaps in some unsuitable field.

Now this credit grantor did not watch the situation as one who thought of himself alone, but he recognized that real construction was needed, and that he must do his part. Consequently, with this inspiration, he recommended the organization of an "agricultural loan company" for the purpose of financing the farmers of his section from seed time to harvest in 1922. The bankers were called into conference on the project. Many of them were already heavily burdened, some were carrying as much as 206 per cent. of their deposits in loans. Yet with a fine burst of energy, the agricultural loan company plan was put over and a corporation organized with an authorized capital of one million dollars. Everyone interested in the farmers' prosperity was called upon for assistance; and it was demonstrated that the capital could be subscribed. The War Finance Corporation was then appealed to, and has

agreed to loan ten dollars for every dollar invested in the capital of the Agricultural Loan Company.

This is real construction. In some way everyone of us can play a more or less similar part in reviving the faint-hearted, in directing them to renewed efforts. This is the kind of action the National Association of Credit Men has been appealing for. We have called the present period the shirt sleeve period, because it means work. In your little corner and mine, we can do something for the bringing in of economic stability, for the liquification of frozen credit, for an accelerated flow of business, for better conditions through and through. If because of lack of courage or energy we have been rated with the wrecking crew, let us resign and take our places on the construction gang at once. We must be known as working for the positive and not the negative side of business.

LEST WE FORGET 1919 AND 1920

IN CASTING our eyes backward to 1919 and 1920, distance does not lend enchantment. We marvel more than ever over the crimes, conscious and unconscious, against fundamental credit laws which brought their reaction and slowed down our business at a period of our greatest riches. If the proper lessons can be learned from these unpleasant experiences, then they were probably worth the price. We mustn't have the unhappy experiences and miss the lessons also.

Credit is the heart of modern business. In the human system, when too much flesh is taken on, the heart has to work all the harder and sometimes pumps itself into an eternal sleep. So in the business system. When the heart has to furnish sustenance to an overladen body, or, more strictly speaking, an inflated body, it will slow down from very exhaustion.

Every commodity of value possesses credit inherently. Value, and value alone, therefore, sustains credit. When commodities are purchased on credit terms, the buyer exchanges his credit for these commodities. Credit must have a redemptive value and is related in this feature to the commodities for which it was exchanged. There is always a certain amount of credit in the nation. When credit is used within this amount the situation is relatively safe. When more than the natural supply is used, then the situation is dangerous.

In 1919 and 1920 prices soared without any thought of the underlying laws which would demand satisfaction sooner or later. Commodities which would suffice for a reasonable amount of credit soared to a point where an unreasonable amount of credit was required to carry them. This produced an inflation which in turn was imposing a strain on the heart of the business system. Eventually, the commodities produced at the controlling prices called for a sum of credit beyond the reasonable powers of the nation to supply. At this point reaction set in with a deflation in values which brought distress and had its serious results in 1921.

Credit in all of its characteristics and the manner in which it should be used has not commanded sufficient study from those who deal in it largely, and whose enterprises are dependent upon its free and regular flow. We should remember in the future that credit must not be strained; that commodities must be in proportion to the credit they sustain; that the reservoir of credit should not be called upon to supply capital. Credit must not be used for capital purposes. It must flow in and flow out regularly, and at proper intervals. The flow must not be congested. The attention this subject deserves will save us from repeating the serious mistakes of 1919 and 1920.

REPLENISHING THE NATION'S CAPITAL

THE STATEMENTS of income and disbursements for 1921 of our leading industrial enterprises are very significant and interesting to contemplate. Running over recently six of these statements presented by leaders in their respective fields and throwing them together in composite fashion I arrived at the following figures:

1921, Gross Earnings,	\$1,089,942,769
1920, Gross Earnings,	\$1,837,646,699
1921, Net Profits,	\$69,975,402
1920, Net Profits,	\$158,974,222
Surplus 1920,	\$40,557,156
Deficit 1921,	\$23,527,094

Assuming that these actual figures are characteristic of the entire industrial field, we are led to believe that in 1921 the nation's capital had been impaired. Stocks of raw material and fabricated commodities were not adjusted closely to market values alone but had been worked down to the very smallest proportions. Therefore, it stands to reason that when sales increase and business is accelerated replenishments of stocks will be needed. Likewise some replenishment of capital will be needed. The total deficit of 1921 spells a severe shrinkage in the nation's capital. Restoring this shrinkage by the natural process of building up future reserves may and is likely to be slower than the expanding needs of industry. Borrowings for season requirements would be insufficient in all probability for the financial needs, and therefore investments of new capital will be sought for by our industries from time to time and as needs may suggest.

A reserve from the annual savings of our corporate enterprises has been one of the choice methods of our industry for the building up of capital. A serious interruption to this process occurred in 1921—an interruption that for a little while at least may require our enterprises to seek the investment of new capital. This is a reasonable possibility and a perfectly natural one in the present circumstances. Isn't it therefore unwise to burden our industries with a heavy interest cost for this new capital, in as much as money rates are lowering and capital will probably be attracted by rates much lower than prevail just now? When borrowings can readily be made on an easy money market at from $4\frac{1}{2}$ to 5 per cent. where the risk is perfectly good,—the future of an industry is heavily mortgaged if new capital can be secured only at a rate of $7\frac{1}{2}$ or 8 per cent. Are

not our bankers missing an opportunity of real service to the future by floating long time loans, or capital investments in the form of preferred shares, at rates so very much larger than the prevailing rates for short time loans? Capital as it is needed should be provided at a cost that will not encumber or discourage the future of an industrial enterprise. It may prove very difficult in the years to come for an industry to pay this high rate of interest when prices on the whole revert to a more comfortable position and money is flowing easily.

We must think of the future. We must be careful of the nation's capital; we must not encumber it with too great a cost. We must provide for it a reasonable proportion of the annual income and of this proportion a proper part only should be segregated as interest.

The prosperity and real happiness of the people are bound up in the largest measure with the extent and the productiveness of the nation's capital.

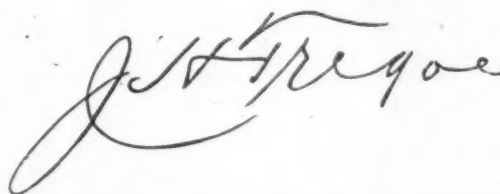
CREDIT MEGALOMANIA

THE SIZE of a man as viewed by himself and viewed by the other fellow is either enlarged or diminished according to perspective. When an imaginative turn of mind conceives for its possessor the idea that his size is just a little larger than that of the average human being, that his economic niche is just a little higher, that he is on the whole midway between man and God, then megalomania has set in, and heaven help the fellow!

We have in our midst credit managers who would fain believe that they are just a little bigger than the average credit manager, that they do not have to co-operate, that they are superior to the laws of co-operation. They are laws unto themselves.

What a fanciful and insidious dream this is! The man who is a giant merely in his own conception topples over sooner or later and great is the crash thereof. My sympathy goes out to the one thus affected. I am conscious of what is going to happen when co-operation is defied, when the laws of humanity are set aside by the violences of imagination. Megalomania plays havoc in credit work, is found very costly at times in the treatment of difficult estates. The credit atmosphere would be much happier, much more constructive if this disease were entirely eliminated.

Think of one's self as a human being governed by God's laws. One of His chief laws is co-operation. Defy co-operation and good order cannot prevail. Search thyself, and if this searching reveals any germs of megalomania, set about the task of killing them off immediately.





Daily Muscle Stretching

Sound Advice from New Haven
Clock Co. President

A Credit Grantor Who Keeps Fit.

By Walter Camp

A FEW weeks ago I was invited to be the guest of a large association of credit men and to address them on the matter of keeping fit. The reception was so enthusiastic as to be convincing. Naturally the profession of credit granting is more or less sedentary, and must be so. For that reason, physical fitness for such men cannot depend merely upon a day a week of sport or games, although that helps greatly, but it must have a stronger backing in the form of a definite daily short period of

Better Late than Never

By J. H. Tregoe

I HAVE seen the National Association of Credit Men labor for more than a quarter of a century to build a stronger nation commercially; and I am in hearty sympathy with the purpose of National Physical Culture Week, May 1 to 8 "to build a stronger nation" physically.

Although not identified with athletics during the past 50 years or so, I have this year taken up moderate exercise in a serious way, and propose to devote myself to it in a reasonable measure for the next forty years.

stretching the unused muscles and keeping the circulation in proper condition.

It is extraordinary how little time is required to do this—less than ten minutes a day, if the work is systematically laid out so that the greatest good is returned from the smallest expenditure of time. This is one of the reasons why the Daily Dozen has been so largely adopted. Thousands of business and professional men write me of the great improvement in their condition and the only complaint seems to be, "Why did I not know earlier that this was possible?"

The rule should be, "Play out-of-doors just as much as your occupation or business will admit, but every day take care of the general condition by a few minutes of suppling, muscle-stretching exercises which will keep the body fit."



Keeping Out of the Red

A Special Message to the Credit
Monthly from

A Professional Man Who Keeps Fit.
By Douglas Fairbanks

I UNDERSTAND many of you fellows who belong to the National Association of Credit Men are enthusiastic autoists, golfers or racket wielders.

I hope this is true because it adds to your credit with the health department of life.

I'll bet that the credit men who stay out of the red will be those who mix work with play.

The monotony of unrelieved desk work is like a blotter and it will absorb all your initiative and vitality, unless you get the kind of exercise and diversions that keeps you physically fit.

Inter-Plant Athletic Association

By Frank H. Skinner

Treas., Janeway & Carpender, Inc., New Brunswick, N. J.

IN Grandfather's time when a business man had weathered forty hard winters, he began to wear ear-tabs, grow whiskers and calculate how he could live a placid old age. Nowadays more and more credit men are found who look upon three score and ten as a good average age of a useful life. Nowadays we are beginning to pay almost as much attention to our physical well being and that of our business associates as we would devote to a privately owned dog or horse.

Mark Twain is accused of saying that his long life and good health were due to smoking all he wanted to and taking no exercise. There's many an idle word spoken in jest. Everybody is better for starting the day with at least some light callisthenics, which if taken in the proper

spirit need not become a burden nor call for super-human strength of character. Such exercise should, of course, be followed with suitable exercise in the open.

When the benefits of physical fitness get under a business man's skin he usually wants to share them with his fellow workers. This motive was the beginning of a movement in New Jersey which I will briefly describe.

In October, 1919, some ten of us, representing as many industrial plants in a city of 32,000 inhabitants, met and established the Industrial Athletic Association of New Brunswick, N. J., which had for its objects the "encouragement of systematic physical exercise and education in New Brunswick and its vicinity, and the development of a close co-opera-

tion not only between individuals, but between the various factories and the employees thereof, by recognition of all amateur sports," etc.

Today, in its third year, the Association, with dues of \$25 a year from twenty-five members (industrial plants), is accomplishing these objects and has a comfortable balance in its treasury. This is derived chiefly from the yearly baseball and basketball series. If a track meet is held and comes out even it does well. Tennis, (my own favorite) golf, bowling and rifle tournaments are carried on with ever increasing interest in each, and last Fall the first event for girls, a tennis tournament, was played to a better gallery in the public parks than the men ever drew. Next Fall there will

(Continued on page 45)

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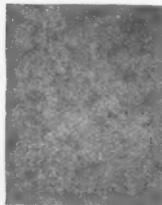
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INDIANAPOLIS
JUNE 6 TO 9
1922



SCENES IN
CONVENTION
CITY



The Reputation of Indianapolis

Message from President Rugenstein

Fellow Credit Men:

Indianapolis has a reputation for two qualities not always found in cities. Capital of the Land of Opportunity—it has earned for itself a reputation for the genuineness of its hospitality, and for the heartiness of the welcome it extends to its guests.

Indianapolis also has the reputation of never falling down on its reputation. When the Indianapolis Association of Credit Men extended an invitation to the Board of Directors to hold the national convention here, it knew what it could expect, and what it could offer.

As president of the Indianapolis Association of Credit Men acting in their behalf, I have seized the opportunity through the CREDIT MONTHLY of extending this official and personal invitation to the credit men of America to come to Indianapolis, June 6-9 for the national convention.

Don't miss, or be missed at the national convention. Indianapolis

and Indianapolis credit men will have a wide-open welcome awaiting you.

Cordially yours,
JOHN C. RUGENSTEIN,

A Hearty Welcome from Gov. McCray

State of Indiana

Executive Department
Indianapolis

To the National Association of Credit Men:

The State of Indiana extends greetings and looks forward with pleasurable anticipation to your coming convention in June when you will be the guests of the Hoosier State.

The fame of Indianapolis as "The Convention City" assures you in advance a hearty welcome and genuine hospitality of the kind for which our Capital City has long been noted.

As Chief Executive of the State it gives me pleasure to extend a cordial invitation to all Credit Men of America to gather in Indianapolis next June.

Very truly yours,

WARREN T. MCCRAY,
Governor of Indiana.

Chamber of Commerce Welcomes Credit Men

Message from Its President

Members of the National Association of Credit Men:—

Indianapolis—the Heart of Trade—very often finds occasion to welcome large national gatherings. But it seldom has the privilege of extending an invitation to a more representative group of wide-awake men of business affairs than those who compose the National Association of Credit Men.

This is an added reason, therefore, why as the president of the Indianapolis Chamber of Commerce, which is composed of a great many energetic business men of Indianapolis, I should extend to you, on their behalf, an urgent invitation to attend the National Credit Men's Convention, which is being held in Indianapolis, June 6 to 9.

I am sure you will find here a spirit of alert business interest, flourishing in an atmosphere of cordial hospitality and good will. We want you to make use of the facilities of the Chamber while here.

Sincerely yours,
O. B. ILES,

Railroad Arrangements for the Convention

NATIONAL Past President S. J. Whitlock, Belding Bros. & Co., chairman of the convention committee of the Chicago Association, announces that arrangements have been completed for a special convention train to leave Chicago Monday, June 5, at 12:30 P. M., Central Standard time, arriving at Indianapolis at 5 P. M. The train will be run over the Chicago, Indianapolis and Louisville Ry. (Monon route). It will be a solid Pullman train, consisting of parlor, dining and observation cars.

Chicago intends to send a record number of delegates and their ladies to the convention—at least 200, probably 250—but invitation has been extended to associations near Chicago to join in the special train trip. Members and delegates who can make use of this train are urged to get in touch with Mr. Whitlock, care of Belding Bros. & Co., 201 West Monroe St., Chicago.

The National Office has arranged for a special train over the Pennsylvania Lines, to leave the Pennsyl-

vania terminal, New York, at 5:05 P. M., Sunday, June 4, railroad time. There will be a stop at Newark, N. J., at 5:27 P. M. for the accommodation of members of the North Jersey association and New York members living in northern New Jersey.

The Philadelphia association has, of course, been invited to join in this train, as have the associations at Harrisburg, Wilkes-Barre, Allentown, Reading, Baltimore and Washington, who would join the train either at Philadelphia or Harrisburg.

New England members have also been urged to make use of this train. Arrival in Indianapolis will be at 2:15 P. M. Monday, June 5. The train will be a solid Pullman train, with club, observation and dining cars. It will be run on the all-expense plan. For those who will return from Indianapolis by the same route that is taken on the out-going trip, round trip tickets will be issued on the basis of one and one-half fares.

Application for space on this train should be sent to the National Association of Credit Men, 41 Park Row, New York, as promptly as possible.

The Minneapolis association is planning a joint movement with Duluth, St. Paul and nearby associations, details of which are in the hands of J. L. Brown, Secretary of the Minneapolis Association of Credit Men, care of W. B. & W. G. Jordan Co., Minneapolis, Minn.

Asst.-Sec. Bunce of the Pittsburg association announces that so many of the Pittsburgh members will travel to the convention by automobile that a special train will not be attempted.

It is to be borne in mind that from all passenger association territories round trip tickets on the basis of one and one-half fares will be available to delegates; but this special fare privilege specifies a return home over the same route as on the outgoing trip.

High Lights of Convention Program

A RICH and varied program is offered to delegates at the 27th Annual Convention of the National Association of Credit Men at Indianapolis, June 6 to 9, 1922. Col. Ed. Jackson, Secretary of State, will give an address of welcome on the morning of Tuesday, June 6th, on behalf of the State of Indiana. J. C. Rugenstein, President of the Indianapolis Association of Credit Men, will welcome the delegates on behalf of the credit grantors of Indianapolis.

Reports will be presented by National President W. B. Cross and National Secretary-Treasurer, J. H. Tregoe.

Ex-Senator Albert J. Beveridge of Indianapolis will make the principle address of the session.

Each session of the Convention will be opened by community singing led by Will R. Reeves of Cincinnati, who will be remembered as an expert in his line by all delegates at the 1920 Convention.

TUESDAY AFTERNOON

The Convention will be divided into three Groups; Districts 1, 2 and 10 will compose one Group; Districts 3, 4, 7 and 9 will compose one Group; Districts 5, 6 and 8 will compose one Group.

In each Group three similar subjects will be considered. Each subject presented by one speaker for a period of twenty minutes and then thrown open for general discussion, with questions and answers, for a period of not more than forty minutes.

The subjects are:

1. "The Credit Department in a Business Enterprise; how productive should it be; how can its maximum productivity be attained?"
2. "The Responsibility of the Credit Department to attack Indecency and Crime in Credit; how shall it be done effectively?"
3. "The Bad Debt Waste; can it be reduced, if so how; the degree of skill required in the handling of accounts to this end."

WEDNESDAY MORNING

The period will be divided on Wednesday morning June 7, between each of the following committees: Credit Co-operation and Credit Methods, Bankruptcy Law and Business Service.

TRADE GROUP CONFERENCES

A great deal of care has been devoted to preparation for the trade group conferences, which will take place each in a separate room on Wednesday afternoon and evening June 7. These conferences are divided into groups as follows:

1. Boots and Shoes.
2. Clothing and Allied Lines.
3. Drugs, Chemicals and Allied Lines.
4. Dry Goods, Notions and Allied Lines.
5. Furniture and Allied Lines.
6. Groceries, Provisions, Confectionery and Allied Lines.
7. Wholesale Hardware, Automobile Accessories, Electrical Supplies and Allied Lines.
8. Hats, Caps and Allied Lines.
9. Implements, Vehicles and Allied Lines.
10. Iron and Steel.
11. Jewelry and Allied Lines.
12. Millinery and Allied Lines.
13. Paints and Varnish.
14. Paper Supplies and Allied Lines.

Wednesday Afternoon, also the Robert Morris Associates activities will begin with a golf match for Mr. Hetzler's Cup. The participants will have luncheon at the golf club and will play in the tournament in the afternoon. It will be a handicap affair.

WEDNESDAY CONFERENCE

Four other groups will meet on Wednesday as follows:—

- (a) Credit Interchange Bureau Managers' Conference;
- (b) Secretaries' and Presidents' Dinner and Conference;
- (c) Foreign Credit Dinner and Conference;
- (d) National Directors' Dinner.

THURSDAY MORNING

Bishop Wm. A. Quayle, one of the leading orators of the Methodist-Episcopal Church, will give the chief address of the morning session Thursday June 8th.

Reports will be received from—

- (a) Banking and Currency Committee;
- (b) Advisory Council; E. S. Boteler, Chairman;
- (c) The Foreign Credit Committees, H. F. Beebe, Chairman.

On Thursday also the banking members of the Association, the Robert Morris Associates, will hold a full day session beginning at 9:00 A. M.

THURSDAY AFTERNOON GROUPS

On Thursday afternoon, June 8th, the afternoon will be divided into three groups,—Bankers, Manufacturers and Wholesalers. The Bankers' Group will be under the direction of the Robert Morris Associates, with its President, William Tonks of Cleveland, presiding.

The Manufacturers' Group will be under the direction of a Special Committee, with its chairman, R. G. Elliott, of Chicago, presiding.

The Wholesalers' Group will be under the direction of a Special Committee, with its Chairman, W. A. Masters of St. Joseph, Mo., presiding.

In each of these Groups will be considered:

1. "The Federal Reserve System in its relation to Credits." (B. M. Anderson, Jr., Economist of The Chase National Bank, addresses one group.)
2. "What must be done to revive Business; what must be done to maintain it." (Edwin F. Gay, Economist and Editor of the New York Evening Post, addresses another group.)

There will be three leading addresses at each Conference, with sufficient time for floor discussion.

On Thursday evening the Bankers will hold a Robert Morris Associates Dinner.

FRIDAY MORNING

Three committee reports will be received on Friday morning, June 9th, namely—The Credit Interchange Bureau, the Adjustment Bureau, and the Mercantile Agencies' Service Committees' Reports.

FRIDAY AFTERNOON

On Friday afternoon the Membership Trophy will be awarded. Investigation and Prosecution Committee will report.

Three minute-reports will be received from each of the Trade Groups. These reports consolidated will give a complete picture of the credit conditions throughout the country in various trades as of June 1st.

Officers and Directors for the ensuing year will be voted upon and the 27th Annual Convention will adjourn.



Dwight A. Murphy

Chairman Convention Committee
B., Hartsville, Ind., 1880. M., 1905.
Ed., high school, Greensburg, Ind.
Methodist. Member, Knight of Pythias,
Chamber of Commerce, Indianapolis
Athletic Club, Hawthorne Tennis Club,
Soloist at First Baptist Church. Rec-
reations, automobilism, golf, tennis,
hunting, fishing and chess. Favorite
reading, history, biography and peri-
odicals. Bus. addr., City Trust Co., In-
dianapolis, Ind.

Drove delivery wagon for grocery
from 6 a. m. to 9 p. m. with no holidays
or nights off. Advanced to the dizzy
height of grocery clerk after few
months. Taught school 2 years. En-
tered Citizens National Bank, Green-
sburg, Ind., in 1901 at \$30 per month.
In 1910 accepted a position with the
Capital National Bank, Indianapolis,
which later merged with the Indiana
National Bank. Helped organize and
launch the City Trust Co. of Indianapo-
lis in 1917. Has been secretary of
this company ever since. Is past pres-
ident of Indianapolis Chapter of American In-
stitute of Banking.

Joined Indianapolis assn. several
years ago. First active in furnishing
musical entertainment for noon lunch-
eons. In 1919 was nominated on inde-
pendent ticket and defeated but was
elected director. The following year
was nominated on the independent ticket
and elected president. On the expira-
tion of term was elected director. Has
served on various committees and is
now chairman of the Convention Com-
mittee for June 1922. Attended San
Francisco Convention, and served on
Nominating Committee. Champion of
registration plan for financing conven-
tions.

What Every Credit Man Needs

By Vice-President E. P. Tuttle

Atlas Shoe Co., Boston, Mass.

IT is planned to have the An-
nual Convention in June this
year the most intensively construc-
tive and instructive one that our
Association has ever held. Great
care has been exercised to select
those to address the Convention
who represent some of the best
thought in this country; they will
deal in a broad way with those
problems which the credit grantor
daily meets.

Hotel Accommodations at Indianapolis

THE second call for hotel reser-
vations has been sounded. The Ho-
tel Committee at Indianapolis reports
a large number of rooms already re-
served. In order to avoid conges-
tion during the last few days before
the Convention, it is urged that all
delegates send in their reservations
at the earliest possible moment.

The Hotel Committee under the
chairmanship of Mr. Stephenson is
apportioning the rooms and making
all reservations. No reservations can
be made direct to the hotels, and for
this reason delegates are requested to
send their letters direct to *A. P.
Stephenson, National Malleable
Castings Co., Indianapolis, Ind.*, in-
dicating the name of the hotel and
the price of the room desired. Hotel
headquarters will be at the Claypool,
but in view of the limited capacity,

it will not be possible to accommo-
date all delegates in the Headquar-
ters' Hotel. The Hotel Committee,
therefore, will apportion the rooms
and follow the instructions of dele-
gates as far as possible in accommo-
dations in the desired hotel.

As Indianapolis hotels are all
within a short distance of Con-
vention Headquarters and Convention
Hall, there need be no fear of being
isolated from the Convention if as-
signed to a hotel other than the
Claypool.

The Spink Arms Hotel and
Haugh Hotel are within easy walk-
ing distance of Headquarters but are
not in direct proximity. These
hotels are, however, both particu-
larly adapted for taking care of dele-
gates and their wives as they are
both family rather than transient
hotels and are finely appointed.

Indianapolis hotels and their rates
are as follows:—

Claypool Hotel,	Single room, detached bath,	\$2.00 to \$3.00
	Double room, detached bath,	\$3.50 to \$5.00
	Single room, shower bath,	\$2.50 to \$3.00
	Double room, shower bath,	\$4.00 to \$6.50
	Single room, tub,	\$3.00 to \$5.00
	Double room, tub,	\$4.50 to \$10.00
Lincoln Hotel,	All rooms with bath,	\$2.50 and \$3.00 up
Severin Hotel,	All rooms with bath,	\$2.50 up
Hotel Washington,	Single room without bath,	\$1.75
	Single room with bath	\$2.25
	(Increased proportionately on double room)	
Edward Hotel,	Single room without bath,	\$1.50 up
	Single room with bath,	\$2.50 up
Spencer Hotel,	Single room without bath,	\$1.50 up
	Single room with bath,	\$2.50 up
	Double room without bath,	\$2.50 up
	Double room with bath,	\$3.00 up
Williams Hotel,	Room with bath	\$2.00 up
Demison Hotel,	Room with bath	\$2.00 up
English Hotel,	Room with bath	\$2.00 up
Spink Arms Hotel,	Room with bath, single,	\$3.00 up
	Room with bath, double,	\$5.00 up
Haugh Hotel,	Room with bath	\$2.00 up

New conditions have arisen in
the business world, which present
problems to be solved differing
from those heretofore common to
us, and many of them involving en-
tirely new issues. These call for
the exercise of clear vision, good
sound judgment, and an ability to
analyze the situation correctly, in
order to obtain the most satisfac-
tory results possible.

If ever a credit grantor needed
the advice and information which
will be forthcoming at this Con-
vention, surely he needs it this year
more than at any previous time.
Therefore, I cannot urge too
strongly the importance and the
benefits to you and your firm of
your attendance at the Convention.
In these times no man can do full

justice to himself or his concern
by remaining constantly at his
desk.

Go to Indianapolis; meet the
men from the other sections of the
country; listen to them as they tell
how they deal with these problems,
many of which are similar to
yours; contribute your own ideas;
and in this interchange and ex-
change of experiences you will re-
ceive an uplift that will give you
fresh courage to take up confi-
dently your duties for the remain-
der of the year, better equipped by
far than you possibly could have
been otherwise.

We were fortunate in the selec-
tion of Indianapolis, because it is a
central point easily accessible from
the North, East, South and West.

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Reserve Banks' Method of Collecting Checks Sustained

NO body of men is more interested in the development and maintenance of the nation wide par system of check clearing than the members of the National Association of Credit Men. They will note with pleasure an opinion rendered by Judge Beverly D. Evans of the United States District Court in Georgia, in a case in which the Federal Reserve Bank of Atlanta was defendant and a group of non-member banks in Georgia, complainants.

The Georgia group attacked particularly the method pursued by the Federal Reserve Bank of Atlanta in collecting checks drawn against them. This method consisted of the appointment of express companies or other agents in the town in which the bank was located, to present checks over the counter and require cash or bankers' checks therefor, inasmuch as the banks had refused to enter the regular clearing system. Judge Evans pointed out, in his decision, that under sections 13 and 16 of the Federal Reserve Act, the Federal Reserve Banks are empowered to accept any and all checks payable on presentation, when deposited with them for collection. But, these checks thus received must be collected at par, the Federal Reserve Banks not being permitted to accept in payment of checks deposited with them for collection an amount less than the whole face value of the checks.

Judge Evans further pointed out that in the discharge of their duties with respect to the collection of checks deposited with them, and in their work of performing functions of a clearing house, the Federal Reserve Banks are empowered to adopt any reasonable measure designed to accomplish these purposes. The Federal Reserve Bank then may send checks to the drawee bank directly, for remittance of collection through the mails, without charge for exchange. If the drawee bank refuses to remit without deduction of charge for exchange, the Federal Reserve Banks are then empowered to employ any proper instrumentality or agency to collect the checks from the drawee bank, and may legitimately pay the necessary cost of this service.

Judge Evans further gives as his opinion that the process of the daily collection of checks in the exercise of the clearing house functions, is not rendered unlawful because of the fact that of the checks handled

two or more of them may be drawn on the same bank.

Another important point in his decision is that it is a legitimate feature of the clearing house function of a Federal Reserve Bank to publish a par clearance list, that is, a list of banks on which checks are drawn that will be collected at par by the Federal Reserve Banks. But, inasmuch as a conclusion may be drawn from the appearance of a bank's name on the par list to the effect that it agrees to remit at par or has agreed to enter the par clearance system, it is not right that such list should include the name of any non-member bank unless such non-member bank consents to have its name listed. However, there can be no objection to including in the par clearance list, the names of towns or cities where the Federal Reserve Bank will undertake to collect at par checks drawn on any bank, (member or non-member) in such town or city through a representative.

Judge Evans found, as a result of his hearing, that the Federal Reserve Bank of Atlanta had not been inspired, in the building up of the par system of collection, by any ulterior purpose to coerce or injure any non-member bank which refused to remit at par. Nor did he find sound the charge that the Federal Reserve Bank of Atlanta would accumulate checks upon country or non-member banks until they reached a large amount and then forward them to be presented for payment over the counter so as to compel the plaintiffs to maintain so much cash in their vaults as to drive them out of business as an alternative to agreeing to remit at par.

Finally, Judge Evans decided that the evidence presented in the case was insufficient to sustain any charge in the bill that the Federal Reserve Bank was acting illegally or exercising any of its rights in such way as to oppress or injure the plaintiff banks. With regard to the publication of the names of non-member banks on the Federal Reserve Bank's par list, while he did not find the evidence justified a finding that such publication was done to injure or oppress plaintiff banks, nevertheless, he did not think the names of the plaintiff banks should be included in the list without their consent.

The general result of Judge Evans' findings is that the plaintiff banks are entitled to the writ of injunction against the inclusion of their names on the par list without their consent, but are not entitled to an injunction for any other matter com-

plained of against the Federal Reserve Bank of Atlanta.

By Judge Evans' decision the question of the right of the Federal Reserve Bank to collect checks drawn against non-member banks who decline to clear through the mails and to appoint a representative who shall make collection over the counter, is sustained in a clear cut decision, which, if it goes to the Supreme Court of the United States, should settle once and for all, doubts which have been working against the nation wide clearance under the par system.

Commercial Crime Increasing

THAT the tide of commercial crime is rising is indicated by the records of the Investigation and Prosecution Department of the National Association of Credit Men. According to C. D. West, Manager of the Department, at the opening of the Bureau's fiscal year, June 1, 1920, there were 73 cases on hand and 35 indictments pending. A year later, on June 1, 1921, there were 81 cases on hand, and 124 indictments pending. Three months before the end of the current fiscal year of the Bureau there are on hand 116 cases with 135 indictments.

"Be Pashind with Ous"

THE CREDIT MONTHLY is indebted to National President W. B. Cross, F. A. Patrick & Co., Duluth, for the following model letter from a Rocky Mountain retail partnership:

"Gentlemen: We regret our inability to meat that chek, as bisnes has bean very onfaverebel, and its nesery to give ous a letel time in order that we shal meat our abligashin, we wil notify you in due time when to depaset that chek, oar you may send it to the First National to be kept toul dare is sufitiond founds to meat it. We oare striving our best efordes to meat our abligashin, hopping led by Will R. Reeves of Cinous time, to pay up. We asure you that we oare doing our wery best in paing up as son as we can. Trusting youl relize our efordes and be pashind with ous, We remain yours truly."

What We Owe to the Association

By J. Victor Day

Smith-Patterson Co., Boston, Mass.
National Membership Chairman

THE present standing and indeed the present scale of salaries of the credit man is due largely to the work of the National Association of Credit Men.

Radio Station WFO Broadcasts

Secretary-Treasurer's Speech

DAYTON. (By telegraph to the CREDIT MONTHLY.)—Through the courtesy of Frank R. Wright, Sec.-Treas. J. H. Tregoe of the National Association of Credit Men, made his first radiophone address at the April 14 meeting of the Dayton Association from the WFO 360-Metre Radio Station of the Rike-Kunder Department Store at Dayton, Ohio.

Mr. Tregoe said in part, "The credit of the Nation has gone through difficult times of late. We have passed the worst now. We are on the upward grade. There are many serious problems ahead. Their solution does not rest on Government but on the people. That Nation will first achieve prosperity whose people are most willing to work. Let us as a nation work intelligently, eternally, and soon again the sun of prosperity will begin to shine."

Reducing Costs

Co-ordination of Marketing and Production

THE Massachusetts Institute of Technology, following an extensive investigation begun eight years ago, is establishing a series of courses on marketing with a view to bringing about a closer co-ordination of marketing with production as a method of reducing consumer costs. Many economists have shown that perils have expressed the opinion that the cost of marketing exceeds the cost of production and that methods and practices of marketing offer the most promising field for investigation in the wide-spread attempt to lower the costs of commodities to the consumer.

They have been sharply scrutinizing economic wastes of all kinds and now purely engineering colleges are awakening to the fact that the mechanics of factory planning, theoretical economics and hypothetical chartings of production methods, must be made intensely practical and be tied to the difficult problems of marketing, because the excess cost of marketing today usually determines in the final analysis whether a factory can continue to operate profitably or must close its doors.

The demand for marketing courses in the engineering colleges is taken as an index of the growing recognition that a graduate of an engineering college must be something more than a computation machine of bewildering theorems in integral calculus and strength of materials.

The causes of slow markets, problems of buying and selling, transpor-

tation and exchange, must be understood by the engineering student of the future, so that there may be full utility of his expert knowledge in his commercial line.

The purpose of the marketing courses in engineering schools is to broaden the knowledge of the men who are being trained in a specific science so that when they enter the business world they will understand the relation of their particular task to the activities of the other component elements of the organization. In other words, engineering schools are to lay even stress on technical and business training.

The new department at the Massachusetts Institute of Technology will be in charge of Dr. Willard E. Freeland, recently sales manager of the Winchester Repeating Arms Co., and later superintendent of sales, production and warehousing operations of that company.

Shock of Business Bungling Easily Absorbed

WHAT has the credit department been doing, asks H. Uehlinger, Hilo Varnish Corp., Brooklyn, N. Y., to meet the adverse conditions under which business has had to be conducted recently, with sales off, business more difficult to write than ever, credits strained, failures many and overhead eating into working capital?

Has the credit department simply stood by and watched the process? Well-organized credit departments, he declares, have not, but were prepared to meet the shock of business bungling, and those departments which had at their head men who

kept close to modern methods of credit extensions have suffered but a small ratio of commercial loss during the recent storm.

Modern methods, he says, have ruled quite generally in the paint and varnish industry, which is the reason why the number of failures in that industry has been comparatively small. In this industry were—first, an early recognition that credit clearing scientifically through the Interchange Bureaus of the National Association of Credit Men makes it possible to tap reservoirs of credit information at any hour of the day; second, an intense desire of paint and varnish credit men to know the problems of their customers with the purpose of building them up, department by department, sometimes even without the knowledge of the customer, to the point where they will conduct their business on a sound and profitable basis; third, the adoption of Round Table Conferences, to clear the atmosphere of accounts that have been giving trouble, to these conferences each delegate bringing the names of at least two concerns for discussion, so that perhaps one hundred names are cleared at a sitting. At these conferences the hopelessly weak, the deficient in judgment and the dishonest are weeded out and arrangements made to assist and support the desirable energetic and worthy over hard places. These Round Table Conferences have proved for paint and varnish men to be the last word in credit department practice.

The paint and varnish industry has come through well because for years concerns in these lines have been endeavoring to build up credit salesmen, credit managers who have sales sense and can sell credit practice to all the departments of their houses.

No link of business is more closely identified with the National Association of Credit Men than the paint and varnish industry, in no line is more loyal support being given to that organization in carrying out its high purposes, and in no line are difficult credits being handled with a more complete knowledge of the risk in hand.

Duplicate Copies

IF any member of the National Association of Credit Men has received two copies of the April issue of the CREDIT MONTHLY, it would be much appreciated if he would return the extra copy to the National office, which is suffering at the present moment from a shortage of this issue.

Credit Department Tools

Forms Used in Opening and Handling Accounts

By H. P. Reader

Interwoven Stocking Co., New Brunswick, N. J.

THE man who takes no stock in system, who treats every transaction as if it had no relation or similarity to other transactions, and therefore cannot be put through the same process or control, can never hope to handle a volume of accounts.

If a large volume of business is to be handled daily, every account must be put through certain steps. With as little friction and human wear and tear as possible, the credit man must get before him for each account the information necessary to measure the risk and must file old and new information for future reference. There is a routine that cannot be avoided if good order, precision and expedition is to prevail, for the attainment of which certain forms, (for convenience we call them tools of the credit department,) are necessary. They are required for the extension of credit and control of the account.

While these tools have never been standardized because individual requirements and idiosyncrasies play so great a part in credit department procedure, there are aims common to every department, and it should therefore be possible to describe, in a way that all will understand, the kind of tools which will prove most useful in meeting credit department requirements.

RECORDING NAME OF CUSTOMER CORRECTLY

Before beginning to make records at all it is essential to get the customer's name and address accurately reported everywhere that it is to appear, so that the credit department manager will know to whom he is selling and from whom he is to collect and in order that there will be no chance of misunderstanding as to who is being talked about, as names come up in inter-departmental discussion. If there is a large number of accounts, a very slight difference such as "J. Brown," instead of "John Brown," may lead to a misposting with consequent error and a weakening of control with possible resultant loss.

The first step, then, is to get a correct standard of title which shall be consistently maintained in all rec-

ords,—a uniform set-up so to speak. Unless this rule is absolutely adhered to, there is certain to be a loss of time and much annoyance between departments.

NEW ACCOUNT CARD

Upon opening an account the credit department makes out and sends along the route that the first order would travel a card known as the NEW ACCOUNT CARD. (A) This card is not to be recognized by any other department unless it bears the signature of the credit department.

For clearness and accuracy it must be written on a typewriter. The credit department takes the responsibility that the name and address are correct, thus setting the standard for all departments.

The card then passes to all the other departments which keep records of customers, so that the records of each may be made to correspond. This accomplished, the card is checked and forwarded by the successive departments until it finally returns to the credit department.

CREDIT INDEX CARD

The next card is the CREDIT INDEX CARD (B). This card is the cornerstone in each account. It is a permanent card for retention in the files so long as the account whose name it carries is on the books or there is the slightest chance that the

name will come up again for consideration. It is the first card to be made after the NEW ACCOUNT CARD and should bear the complete date including year that the account is opened. This is important!

The CREDIT INDEX CARD is also to bear the commercial agency ratings as of the date of opening the account. Ratings should be checked every six months on receipt of the new agency books. If the rating is changed, either up or down, this fact should be so indicated with date of reference book from which the changed rating is taken or the date of the report if rating is taken from the report. The card provides a checking column for comparisons, so that it will not be necessary to repeat the rating but merely to check without insertion of the date where there is no change.

After a few years this card becomes exceedingly valuable because it is the only compact record available over a long time. Columns are provided for other established sources of information and in them may be inserted dates and proper designations, such as (G) Good, (F) Fair, (P) Poor and (B) Bad.

Space is provided on the reverse side of the CREDIT INDEX CARD for the name of the bank used by the customer, the salesman handling the account, and remarks. The card also

NEW ACCOUNT

NAME _____

NO. AND STREET _____

CITY _____

STATE _____

SALESMAN _____

Enter on Your Records Immediately Date, Sign and Pass to Next Dept.

Credit Dept.	Order Dept.	Accts. Rec.	Sales Dept.	Addressograph	Return to Credit Dept.
Date	Date	Date	Date	Date	Date Received
By	By	By	By	By	By

Form 413—8-8-21—1M

FORM A—New Account Card

provides a space for the indication of one branch and if there be more than one branch house, the names and locations should be listed on the reverse side of the card. It is important that the INDEX CARD for houses with branches indicate which are branches and which the parent concern and also whether accounts are to be kept separately or only under the head of the parent house. These cards should also show whether correspondence about credits and collections is to be addressed to the home office or to branches.

The CREDIT INDEX CARD should be filed first geographically and then in proper alphabetic sequence behind the controlling geographic guide to correspond with the arrangement of names in the mercantile agency book. Every credit man has found it advantageous to have an index of his customers arranged in both ways, and with the index card filed under the geographic arrangement above described, the visible index can be arranged in straight alphabetic order. Then, too, folders carrying credit information from various original sources should be arranged alphabetically.

VISIBLE INDEX CARD

The VISIBLE INDEX CARD is used by the credit editor and is the second card to be made from the New Account Card. These cards are made to fit in a frame so arranged that the name, address and credit limit appear on the same line and the card can carry a signal if desired. It is customary to have straight alphabetical arrangement of all customers' names in the visible index. It is so made as to carry a vast number of names in small compass and have

each one visible without the necessity of fingering the cards. Opposite each name is the limit of credit that has been written in pencil so that the limit can be readily changed as circumstances suggest to the credit man.

Certain indicators can be placed on these cards in the shape of small enamel steel signals in various colors, red, perhaps, to indicate that the account is undesirable from the credit standpoint; black, that the account is undesirable from the sales standpoint; blue, that the account buys for cash only; green, for caution which means "Look up the report before checking an order," and a combination of colors also may be used. A card bearing no signal means clear for checking to the limit indicated and that the only thing necessary besides the limit is to know the amount owing at the time, which information is to be had from the ledger. The system provides for rapid checking as to correctness of name and address and as to whether the order comes within the limit of credit fixed by authority of the credit manager. The visible index performs an important function in the credit department, because of the speed with which it can be operated, but it should not be the credit department's sole source of information, especially in the case of doubtful credits. The data entered should be in the simplest possible form and restricted to the points described above.

By actual practice under this system one credit clerk has checked intelligently as many as 200 accounts an hour.

Name				L. F.				
Address				Date Opened				
Branch at of				Limit \$				
Date	✓	Dun	Brad.	Date	W.M.F.A.	C.C.H.	Special	Trade
F414—8 8-21—10M				(over)				

FORM B—Credit Index Card

USEFUL RUBBER STAMPS

The credit editor through his familiarity with the accounts will be able to pass, with the aid of his VISIBLE INDEX, the greater proportion of orders received from customers who take immediate shipments. Orders

BRAD.
DUN.
H. C.
PAYS
BAL \$
PAST DUE \$
LIMIT \$
UNSHIPPED \$

FORM D—Editor's Stamp

from customers who buy for future delivery must necessarily be checked with orders already booked but unshipped taken into consideration, and for such accounts and other credit accounts, when the credit editor feels it is required, a simple rubber stamp is used which may be called an EDITOR'S STAMP (D). The credit editor stamps this on the reverse side of the order on which he requires the information to pass it. The order so stamped is then sent to the proper clerk to obtain the necessary data. The clerk returns it to the credit

SEND FOR	DATE SENT
Dun Rept.	
Brad.	
W.M.F.A.	
U.S.F.&G.	
N.A.C.M.	
Statement	
References	
Date	By

FORM E—Send For Stamp

editor for decision with the spaces as indicated filled in. The use of this stamp makes unnecessary the handling by the credit editor of a large number of original documents.

Another rubber stamp is called the SEND FOR STAMP (E). In the event that the information obtained in using the EDITOR'S STAMP is still insufficient, then the SEND FOR STAMP

(Continued on page 44)

A Million Dollar Gusher

Even the Most Productive Well Requires Some Investment

By B. G. Edwards

COULD there be a more wonderful example of nature's generosity, literally forcing a reward from out of her immense stores for those who invest in her of their faith and devotion than is given in the gushing well whose stream of precious oil contributes to the world's dreams of happiness and wealth—the oil that gives life and motion to the flying motor car or the busy wheels of commerce?

Nature does not put her treasures on the surface. They are for those who delve below earth's crust. She demands that we give something to her to earn the right to her gifts.

And, how like the responsive gusher is the National Association of Credit Men! Its store of wealth is available to every business man who will give to it his confidence and devotion—a wealth of protection, of wise counsel, or rich and helpful contacts that often make the difference between loss and profit or between failure and success. Few investments pay better. The dividends are regular and frequent: they depend largely upon the devotion and faith of the investor.

But remember, there *must be an investment* just as in the oil well. And one of the best forms of investment is to invest personal effort and enthusiasm to enlarge the scope of the Association's field. We must think and talk in terms of the National Association of Credit Men. We must invest in it for the very love of the work.

What will be the returns from such an investment? They will be the bringing to the surface of latent powers that can be developed only as new association workers and new association endeavors are developed.

If, as is the fact, hundreds and thousands are enjoying the dividends from the Association's rich store, let it be remembered that the resources

that are to be had increase with the increase of interested busy workers. The more they get the more you get, so that one's own selfish interests as well as his interest in the other man suggest that he bring the other credit grantors into the Association.

The more there are to share in what the Association has to give, the more there is to give. Let us, therefore, increase the shareholders. Let each man help to the utmost in bringing to its surface the Association's latent powers. Let us build up an organization that comprehends every forward-looking concern in our commercial Nation.

Every Day a Membership Day

By W. T. VanAtten

The Bradstreet Co., Newark, N. J.

AT the time of this writing, we are looking forward to our National Membership Day with a feeling of confidence.

The response of our members will surely bring us near our goal—a membership gain at the close of our Association year, on June 1.

With one month more to go we know our members will leave nothing undone to achieve success.

Now for the windup; the iron is hot, and many hands make light labor.

If you have not got your new member, your co-operation is all the more necessary and valuable now.

Let's do something every day to keep the pot boiling—there is someone to call up, someone to write to.

Let's make EVERY day a MEMBERSHIP DAY until the first of June.

Los Angeles Over the Top

THE LOS ANGELES Association of Credit Men is among the first to report having gone over the top, and will have a big increase in membership to announce at the Annual National Convention.

Fort Wayne Over the Top

THE FORT WAYNE Association of Credit Men has gone over the top in membership. It hopes to add at least ten new members before June, writes Stanley L. Butler, Wayne Knitting Mills.

Wilkes-Barre Over the Top

THE WILKES-BARRE Association of Credit Men reports that its new membership plans are bearing fruit, it is already over the top, and it will show a substantial gain at the June Convention.

Let's Go!

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Enjoy It.
Let's Go!

E. G. Bric

Doings of Credit Grantors

Sixty Millions in Forged or Altered Checks

Allentown.—At the last meeting of the Lehigh Valley association, David Jones, H. D. Foss Co., Boston chocolate manufacturers, spoke on "The Relation of the Credit Man to the Salesman." He declared that the credit man has more to do with the selling of goods than he appreciates, for his willingness to take a chance and follow that charge up with a higher degree of intelligent effort is important in developing the sales of the house. There is nothing, he said, ever lost in having faith in human nature; and the credit man must have confidence in the salesman as a human being. He must not let the salesman feel in constant fear of criticism.

T. G. Troy, Bank Check Insurance Department of the U. S. Fidelity and Guaranty Co., Baltimore, spoke on "Check Alterations and Forgery." He illustrated his talk with examples to show what the check forger had been able to accomplish in offsetting the work of check protective devices. He also presented numerous instances of trouble which followed the raising of checks; in one case a check for \$27 was raised to \$27,000, in which the maker of the original check was imprisoned for alleged connection with the swindle, and after his release, with reputation gone, he committed suicide. The estimated loss every year, because of forged and altered checks, is \$60,000,000, said Mr. Troy. As it is clear that the protectograph and safety paper do not entirely prevent check alterations, the insurance plan has come into existence. The policy protects the holder in six vulnerable points: the number of the check, the date, the name of payee, the amount, the signature and the endorsement.

Amarillo Affiliates

Amarillo.—Another organization has become affiliated with the National Association of Credit Men—the Amarillo Jobbers & Manufacturers Association. E. W. Harding, Amarillo Hdw. Co., is president; E. B. Sanders, Natl. Bank of Commerce Bldg., secretary. The directors are E. L. Higinbotham, E. K. Humphrey, H. S. Gooch, R. T. Emmett, G. T. Maggard and C. H. Dixon. Twenty-five business men make up the new association which has the good wishes of the entire National organization.

Interchange Bureau Managers Meet

Atlanta.—Standardization of methods, reports and forms was the principal discussion topic before the sessions of the conference of southeastern managers of the National Association of Credit Men's Interchange Bureaus at Atlanta recently. About 20 managers from Tennessee, Georgia, Florida, Mississippi, Alabama and South Carolina were in attendance.

The Atlanta association entertained the visiting bureau managers at a dinner at the Peacock cafe, at which addresses were heard from a number of national and local credit men.

Among the speakers were E. B.

Moran, manager of the Central Interchange Bureau, St. Louis; National Vice-Pres. John G. Norvell, Huntington, W. Va., and Major J. T. Bartlett, secretary of the New Orleans association.

Mr. Moran explained how the Central Interchange Bureau was established to centralize the activities of sixty-eight branches of the credit work in as many different cities. He told of the great service that the bureaus had rendered southern business in the way of obtaining credit information and statistics.

Mr. Norvell, who has been making a tour for the association, spoke on the general economic problems of the day. "The trouble lies in over-production," he said. "What we need is not cheaper commodities, but a production that will meet the demand and not exceed it."

Major Bartlett's speech was on "Commercial Fraud and How to Meet It." He explained the various systems in use for detecting frauds in business and protecting association members from dishonest commercial dealings.

Among the managers at the conference were E. B. Moran, St. Louis; R. E. Buckingham, Nashville, Tenn.; T. J. Doepeke, Memphis; J. H. McCallum, Chattanooga; H. M. Barnett, Knoxville; H. M. Oliver, Savannah; R. H. Eggleston, Birmingham; W. B. Oliver, Augusta, Ga.; J. P. Abernathy, Greenville, S. C.; J. T. Barnett, New Orleans; Miss Daisy Austin, Tampa, and C. L. Williamson, Atlanta.

The Atlanta credit men's association voted to wage an intensive membership campaign with a view to securing at least 100 new members. A resolution advanced by H. E. Choate, J. K. Orr Shoe Co., to appoint a legislation committee to look after protective laws to come before the next legislature, was approved.

Trade Groups Organize

Baltimore.—Francis A. Davis, F. A. Davis & Sons, appointed by President Treide to organize Trade Division Meetings to extend the benefits of the association to every member, invited credit men representing the pork and beef packers, fruit and vegetable packers and fruit and product dealers to meet him in conference. Twenty out of twenty-five responded. The Trade Division idea was explained by Mr. Davis and enthusiastically received by the various members. As a result Trade Division No. 1 was organized. Wm. H. Gebhard, Kingan Provision Co., was elected chairman of the division, and it was decided to meet at noon every other Tuesday.

At the second meeting of this division a general discussion of credit risks and credit problems took place. President Treide made several valuable suggestions which will be carried out in following meetings. Every credit man present shook hands with every other credit man before the meeting adjourned.

The value of such divisions was clearly demonstrated. The next trade division will be the confectionery, cigar and tobacco lines, and other lines will be taken up as rapidly as possible.

Keep Credit Losses Down

Bay City.—"Keep Credit Losses Down" is the watch-word of the North

Eastern Michigan association and its members are working in close harmony, reports H. T. Braun, Bradstreet Co. The association plans to increase its membership to 100. Seven new members were introduced at the recent dinner meeting at which T. Rogers, chairman of the membership committee, reported on the work accomplished to date. Alfred J. Boergert, assistant manager National Grocery Co., Saginaw, talked on credit conditions today.

Chase Economist at Cincinnati

Cincinnati.—Dr. B. M. Anderson, economist of the Chase National Bank, New York, addressed the monthly meeting of the Cincinnati association on "Credit Policy in Prosperity, Crisis and Depression."

Mr. Anderson urged serious thinking on the vital issues of today. He declared that the banker should be one of the leaders of public opinion and should assume part of the responsibility in molding public opinion and rebuilding authority—but with him must join all the other professions and business men. He said the many influences working upon public opinion, newspapers, telegraph, motion pictures, etc., leave a series of rapidly shifting images which tend to make the public mind more formless and incoherent than it was formerly, when men had firm clear and lasting convictions and were dependent on the Bible and Constitution, writes Robert L. Mayer, Isaac Faller's Sons Co.

Credit Granted on Report Dated 1894

Clarksburg.—A very unusual and interesting program was presented at the last regular semi-monthly meeting of the Central West Virginia Credit and Adjustment Bureau. The program was in the form of a play entitled "Credits Five Years Ago," and was put on under the supervision of the Credit Education, Credit Department Methods and Management Committee composed of J. N. White, Imperial Ice Cream Co., chairman, with A. F. Leatherby, Standard Milling Co., and E. T. Malone, Fairmont Supply Co., Fairmont, W. Va., as his assistants.

The leading roles were played by Bert Evans, Morris Grocery Co., and C. C. Gribble, Carmichael Candy Co., who represented the firm of Ketchum & Skinum, general store, Byron, W. Va. Mr. Evans took the part of Joe Ketchum while Mr. Gribble played the part of Tony Skinum. These two gentlemen applied to W. T. Wallis, Hornor Gaylord Co., for their opening order of groceries. After questioning them concerning their financial standing Mr. Wallis agreed to ship their order, basing his authority for such action upon a report received from L. M. Gerling representing the R. G. Dun Co., under date of May 14, 1894, and also upon the recommendation of his company's salesman who stated that the credit of the new firm was good as old wheat in the mill.

In the second act the same parties applied to Lewis Milam, Williams Hardware Co., for their opening order of hardware and after being assured by Mr. Wallis that the credit of the firm was perfectly good Mr. Milam agreed

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to make immediate shipment of their order.

In the third act they applied to J. J. Crews, Clarksburg Candy Co., for a complete line of candies, etc. Mr. Crews was delighted to receive such a large order and after but little investigation agreed to ship the order at once.

The fourth act depicted a scene in the Bankrupt Court. W. T. Wallis acted as Referee while U. R. Hoffman, secretary of the local organization, appeared as attorney for the bankrupt. In as much as none of the creditors appeared W. M. Chorpensing, Shingleton Bros., was appointed trustee. After the stock had been appraised and sold the report of the trustee was approved by the court and Lewis Milam, acting as District Judge, dismissed the case releasing the firm of Ketchum & Skinum from further liabilities.

A novel feature of the program was four telephones installed about the tables by the C. & P. Telephone Co., without any cost to the organization. One member, during the dinner, took this feature as a joke. When he took down the receiver and was answered by another member he came near having heart failure. The members, in order to show their appreciation for the services rendered by the telephone company, extended a rising vote of thanks to all those who had any part whatever in installing the telephones.

D. D. Holtz, D. D. Holtz Co., was introduced as a new member of the organization.

Has Your Debtor Cut Down Overhead?

Cleveland.—Colonel Leonard P. Ayers, vice-pres. Cleveland Trust Co., recently spoke on "Turning the Corner in Business" to the Cleveland members. This is a time, he said, when no credit man can relax, but must now discriminate between the essential and the incidental. He must look carefully into credit risks to sort those which are selling their product for more than it costs from those who are not.

We have learned, he said, the interdependence of welfare. Although most of us belong to one of the two lay groups, it is the condition of affairs in the other group which determines conditions in our own group. Either we get raw material from the earth in mining or agriculture or we make up raw materials into finished products and exchange one for the other. When this exchange goes well we have prosperity; when it goes badly we have depression. Then there is a third group which promotes the exchange. These three groups make up business.

Good and Bad Criticism

Dayton.—Criticism was the subject of the address given at a recent meeting of the Dayton association by J. C. Nevins, Federal Reserve Bank of Cleveland. He developed the theme that constructive criticism is the hope of progress and is welcomed, but criticism based upon false premises only aggravates the situation it attempts to relieve.

National Sec. Treas. Tregoe was the principal speaker at the meeting of April 14. After his address, the famous quiz-master submitted to a quiz by the members. Pres. E. O. Brining, Ohmer Fare Register Co., was in the chair.

Decatur Building Up

Decatur.—Interest in the Decatur association, writes Sec. R. L. Smith, Decatur Grocery Co. is constantly increasing among the members. At a recent meeting, at which President C. J. Doyle presided, membership work was discussed. Plans have been made to increase the membership substantially and build up a stronger association.

Illinois State Convention May 10

Decatur.—At a recent meeting of the Decatur association A. J. Murray reported on the State Convention which will be held in Decatur on May 10, and showed a list of subjects which will be discussed. He advised that the subject for Decatur was "Taxation," which would be ably handled by Attorney Green, of Urbana.

Various committees for handling the State Convention were appointed by Pres. Doyle as follows:

Program: A. J. Murray, C. J. Doyle, H. R. Gregory.

Hotel Arrangements: R. L. Smith, Art Metzler, C. E. Fritz.

Publicity: E. M. Crawford, R. O. Augur, Geo. Allen.

Printing and Registration: J. E. Wilis, Wm. Diefenthaler, J. E. Richie.

Reception: Art Metzler and all members.

A discussion relative to the handling of adjustment bureau cases for insolvent parties developed the fact that members of the adjustment bureau were not expected to devote their personal time to this work; but, that they should employ some capable man to handle it for them under their direction. At least sufficient charge should be made so that all handling expenses and additional revenue to cover overhead of the office might be secured.

Office Equipment Discussed

Des Moines.—The last meeting of the Des Moines association was one of the most valuable and educational meetings ever held, according to Sec. Treas. Don E. Neiman. Various members supplied the business literature committee with copies of their credit and accounting forms and these were displayed and discussed at the meeting. For over two hours the members viewed business forms and got suggestions from each other. Office equipment companies in the association had displays of their products, and members were able to compare the various systems at one time, thus saving themselves the inconvenience of talking to representatives of these concerns individually without the equipment displayed.

Increased Price Renews Farmers' Confidence

Duluth.—It was the consensus of opinion of the delegates of the northwestern conference held, at Duluth, recently that though northwestern business had suffered heavy losses in the post-war depression, a marked improvement had come in recent weeks, and with good crops normal stability could be forecast for the fall of 1922.

There were represented at the conference: St. Paul, Minneapolis, Minnesota, Grand Forks, Fargo and, of course, Du-

luth. Most of the day was occupied in a discussion of current business conditions, it being felt that the recent increase in prices of agricultural products had done much to give the farmer renewed confidence, and with stocks on the shelves of merchants generally low business ought to go forward shortly with energy.

Realizing on Assets

El Paso.—Sec. Blanchard of the Tri-State Association of Credit Men with headquarters at El Paso, in his annual report on a year's operation of the adjustment bureau, says that the bureau handled and closed 40 involved and insolvent matters in 1921; that it realized 73% per cent. cash on the face value of the assets coming into its hands; that it paid average dividends of 48.7 per cent. and that the average liquidating expense was 8.37 per cent.

He points out that one of the serious difficulties against which adjustment bureaus have had to contend in the past year has been the liquidating of distress stocks and merchandise. They have been harder to dispose of than in any time in his experience, for everybody was too timid to buy and there were few inclined to engage in mercantile ventures.

The assets handled by the adjustment bureau was of all kinds. They included merchandise, fixtures, delivery equipment—besides accounts receivable, all estimated at face value. In the circumstances Mr. Blanchard thinks that good work was done in realizing 73% per cent. cash on the face of these assets.

Fort Wayne Has Grown

Fort Wayne.—The annual meeting held recently at the Anthony Hotel closed the fifth year of the Fort Wayne association. The reports read showed a considerable improvement over the fourth year. Joseph Miller, chairman of the Membership Committee reported that at the beginning of the year the membership was 125, 27 were added during the year and 9 were dropped making a total number of 143 members now in good standing. The report of Will Hobson, chairman of Interchange Bureau, showed that the Bureau, started in June, began to clear reports August 1. Membership in the bureau has increased from 31 to 43. Newly elected directors of the bureau are Geo. Fishering, Joseph F. Miller, Walter J. Erbine and W. D. Wipple, who will prove valuable colleagues to the other directors.

E. F. Reiter, Consumers Co., Chicago, and E. J. Gahlmeyer, Wayne Oil Tank & Pump Co., gave addresses on co-operation between sales and credit departments. Mr. Reiter divided credit co-operation into five groups: co-operation with business in general, co-operation with customers, co-operation with various departments of the business, co-operation with the individual in the business and co-operation with ourselves.

The credit education committee has started a class in credit education with 52 students, 40 of whom are association members. Rosa Ueber, who is taking the course, reports that it is the best she ever attended. B. F. Morgan, of the Arsenal school at Indianapolis is instructor of the course which is given under the management of the Indiana University Extension.

Ashland Entertains Huntington

Huntington.—Ashland, Ky., was the host of the Huntington association and "to say the least they were on the job with both feet," writes M. I. Flynn. After a splendid dinner Mayor W. M. Salisbury welcomed the gathering in a serious vein and he declared that the "greatest asset that any concern can have is not on the books, it is in the personal integrity of the individuals connected with it." C. R. Carder, president of the Huntington association and vice-president of the Huntington National Bank, responded.

W. J. Seitz, a salesman of over 40 years' experience spent in the Tri-State region of West Virginia, Kentucky and Ohio, spoke of conditions past and present, and declared this section has grown unbelievably and that he looks forward to a future of promise. His advice to salesmen is to work with the credit department at all times.

The Hon. John W. Woods, an attorney and also president of the Day and Night Bank of Ashland, was then introduced as the speaker of the evening. His subject was "Some Legal Phases of the Credit Situation," and he explained in detail the laws of Kentucky on exemptions. He said the courts were clogged with work at this time and that no good credit man would have many accounts for adjustment by the Courts at this time or in fact any other time. He contended that an ounce of prevention was worth a pound of cure.

Wireless Announces Convention

Indianapolis.—The Indianapolis association has put into operation an Interchange Bureau.

The business man who allows his business to deteriorate without notifying his creditors, directly and indirectly, of his exact business condition is guilty of criminal negligence, and is as great a criminal as the man who deliberately plans to fleece his creditors and others who have entrusted their money to him, declared Dick Miller, president of the City Trust Co., at the last dinner meeting of the Indianapolis association. Mr. Miller said that a great number of business failures result from a lack of judgment, incapability or poor business methods.

President Rugenstein was toastmaster. C. L. Askin, chairman of the Convention Entertainment Committee impressed the members with the importance of the 27th Annual Convention. Instead of an orchestra playing at dinner, a radiophone concert was enjoyed. Fred Millis, publicity manager for the Convention, flashed a message by wireless announcing the Convention and its importance to the business world. The message was picked up by Kansas City, Chicago and Pittsburgh.

National Sec.-Treas. Tregoe's March General Letter was the basis of a credit forum at a recent luncheon meeting. C. E. Sullivan, Merchants National Bank and J. D. Meek, Indianapolis Electric Supply Co., led the discussion, on favorable and unfavorable factors in our financial and commercial situation.

Jackson Will Soon Be Independent

Jackson.—The Jackson Credit Club is

a live branch of the Detroit association that is working to obtain a sufficient number of members to function as an independent association. This purpose is being accomplished by the officers of the club.

At a recent meeting of the club Stanley Porter talked on manufacturing conditions today and Miss Alice B. Simoneau, United Appliance Co., read a paper on the meaning and value of good will.

Salesmen Wanted

Johnstown.—At the recent annual meeting of the Johnstown association it was decided that every member should invite his salesmen to attend all meetings of the association, as every salesman is a part of the association.

"Danger Signals" was the subject of an address by Otto Foerster, Opperman Cigar Co. He spoke first on post-dated checks, and told the members that this form of business on their part should be discouraged, inasmuch as after a few times it becomes a habit. Later the dealer gets into hot water and buys a lot of cheap merchandise to cover up. Then in many cases comes bankruptcy. Gambling and writing checks without funds were also discussed.

Psychology of Credit Granting

Kalamazoo.—At the regular meeting of the Kalamazoo association Prof. T. S. Henry, Western State Normal, talked on the "Psychology of Credit Granting." His remarks were very earnest and to the point. He insisted that credit men must be students, that co-operation is the rule in business today. He stated that the present depression in business was caused by fixed laws, not by any psychological propaganda. He urged closer understanding between dealers for a satisfied customer is the best advertisement. Careless, lawless and sometimes criminal actions of even well educated people can be remedied only by more education along moral lines, in deciding upon an application for credit.

Kansas City Members Penalized

Kansas City.—A Summons of Judgment Debtor was received by each member of the Kansas City association before its recent meeting. About 200 responded and attended the meeting. "Judge" Woodmansee insisted on having court dignity at the affair and had each member sworn under oath to tell the truth and nothing but the truth. Everyone was then sentenced to secure at least one member before the National Convention in June. Tom C. Sperry, Southwestern Milling Co., reports that its was the most original and effective membership meeting he ever attended.

H. N. Tolles, president Sheldon School of Salesmanship, Chicago, addressed the recent dinner meeting of the association on modern constructive salesmanship as used by the credit manager. He brought out many valuable points. Sandy Sinclair's Ladies' orchestra entertained the diners.

Credit Men and Mercantile Agencies

Lincoln.—Relations which should exist between credit men and mercantile agencies were discussed at a recent din-

ner meeting of the Lincoln association. R. S. Johnson, R. G. Dun & Co.; and W. W. Tyler, Bradstreet Co., lead the discussion. Five minute replies were given by H. F. Gilmour, Harpham Bros. Co.; E. V. Morava, Western Glass & Pt. Co.; E. Soderberg, Van Sickle Glass & Pt. Co.; C. B. R. Knott, Western Supply Co.; and G. E. Bockes, Kornmeyer Co.

Adjustments and Life Insurance

Louisville.—Bankruptcy was the subject discussed by Samuel J. Schneider and A. B. Harris at the recent meeting of the Louisville association. Attention was called to the proposed amendments referred to in the March issue of the CREDIT MONTHLY and adjustments were urged so as to avoid the bankruptcy courts.

L. L. Anderson talked on the bearing of life insurance on credit risks, reports J. K. Scoggin, B. F. Avery & Sons. This subject is receiving more and more attention throughout the country.

Thrift and Free Trade Will Bring Normalcy

Memphis.—The basis of trade conditions was the subject of Hardwig Perer's address at the last noon luncheon of the Memphis association. He depreciated the value to the layman of intricate statistics and presented, in a simple and instructive way, the basic elements responsible for the present national and international business depression. His talk was optimistic on the whole, but he said that a return to normal conditions could hardly be expected until the drain in the treasure chest of the world had been substantially replaced. He recommended both personal and national thrift and free trade as against a prohibitive tariff policy.

Statement Shows Three C's

Milwaukee.—"To the trained credit man the financial statement reveals not only the capital of the merchant but also his character and capacity," says the March Bulletin of the Milwaukee association.

Spring Meeting

Minneapolis.—Dr. Bess of Macalester College addressed the spring meeting of the Minneapolis association at the Dayton Tea Rooms.

—and the Tarantula Was Danced

Oklahoma City.—The "Annual Greeting" of the Oklahoma City association was a highly successful social affair, writes secretary-manager J. G. York. Almost every member brought his wife or sweetheart. All enjoyed the well arranged menu and program consisting of Master Joe Ho'land, soprano; John Cole's Jazz Hounds from the Oklahoma University, Wayne Huff, tragedian, and the tarantula was danced by Claudine Schofield. President W. L. Weir gave an address to the ladies, after which cards and dancing were the order of the evening.

Oshkosh Enterprise

Oshkosh.—The text of Prof. A. P. Haake's radio-phone talk on Economics given to the Oshkosh association is printed, with a photograph of Prof.

Haake in action, elsewhere in this issue of the CREDIT MONTHLY.

Upton to Represent Peoria

Peoria.—Bulk Sales Law and Bad Checks were discussed by Attorney E. V. Champion at the last regular monthly meeting of the Peoria association.

It was announced that May 10 has been set as the date for the Illinois State Convention of Credit Men to be held at Decatur. W. D. Upton will represent Peoria at the Convention, and a large number of delegates is expected to attend.

Life Insurance for Benefit of Company

Philadelphia.—Life insurance as a credit factor was the subject taken up by Ira W. Barnes, president of the Ninth National Bank, at a recent luncheon of the Philadelphia association. Mr. Barnes gave an interesting talk on the necessity of safe-guarding a concern by carrying life insurance on the various executives or employees who would be difficult to replace.

Mrs. Jean N. Cushing presided at the last Ladies' Luncheon held by the Philadelphia association. There were 160 present to hear the addresses of Mrs. Thora Zimmerman, Great N. Y. Savings Bank, and Miss Smith, secretary of Sec. Alexander, N. Y. association. E. J. Cattell also addressed the meeting.

Father and Son Day

Pittsburgh.—"Father and Son Day" was celebrated by the Pittsburgh association at a recent luncheon meeting. Dr. Winfield Scott Hall, a physician of international reputation delivered the address.

How to read people at sight was the subject of Gordon J. A. Hargrave's talk at a recent luncheon of the association. Mr. Hargrave is the head of the associated Hargrave Success Clubs, an organization with affiliated clubs in many of the large cities.

Up Trend of Business

Pittsburgh.—Prof. Howard C. Kidd, of the Economics Department of the Carnegie Polytechnic of Pittsburgh, declared at a recent meeting of the Pittsburgh association that business is at the turning of the road, that business is now on the upward trend. He presented a review of business conditions in the past two weeks and supplied interesting facts and figures drawn from local and foreign sources. He then gave three keys which he claimed would open the doors now barring prosperity: First, the purchasing power of the railroads; second, the purchasing power of agriculturists, and third, the purchasing power in Europe. Before these doors can be unlocked there are some clouds that should be rolled away, one of them being the tariff in its present unsettled form; the soldier's bonus proposition; the coal question; railroad rates and our general attitude toward Europe.

"Personality and Business" was the subject discussed by Dr. Fred Whitlow Hixon, president of Allegheny College, Meadville, Pa., at a recent luncheon of the association.

Fifth Term for Morris

Reading.—R. C. Wharton, A. Wilhelm Co., reports on a recent meeting of the

Reading association which was held at the Wyomissing Club. There was an attendance of 27 members who enjoyed an excellent dinner. The annual election of officers was held and the following were re-elected to office: pres., E. J. Morris, Reading Wholesale Grocery Co.; vice-pres., Heber Ermentrout, Wm. H. Luden, Inc.; 2nd vice-pres., I. S. Brandt, Produce Jobber, and sec-treas. Geo. W. Mayers, Kurtz and Mayers, wholesale grocers.

This will be the fifth term for Pres. Morris, and the eighth term for Sec-treas. Mayers, who has held this office since the organization of the association. After the election of officers a short address was made by Sec. Elvidge, of the Reading Chamber of Commerce.

Two Old Business Rates True Today

Rochester.—Four points should be carefully scrutinized in analysing financial statements, declared Gilbert E. Chapin, comptroller of loans of the Federal Reserve Bank, N. Y., at the last meeting of the Rochester association—*inventories*, to see whether they are figured according to present market values or costs, (the market values tending to be lower in most cases); *accounts receivable*, to whom and where the firm has credits outstanding; *contingent liabilities*, whether the firm has any future commitments; and *insurance*, whether it covers the stocks. Mr. Chapin said the real credit man should take business coming in which does not look very good and make some arrangement to get that business as a fairly sound risk. Only two of the old business ratios still hold true today, and because of business conditions and high competition there are many exceptions to these. The first is that there should be two dollars of current assets for every dollar of current liabilities; the second is that there should be cash enough to pay the bills receivable, irrespective of the goods on hand.

Prof. Giles L. Courtney, School of Commerce and Finance, N. Y. University, gave a talk on credit and collection in business correspondence is inadequate, he declared. Even credit and collection letters must be strong selling letters. Particular attention should be paid to the beginning and the ending; letters should open with a positive statement and avoid the ending "Hoping that" or "Trusting" which is not read at all by the average business man. A courteous tone should dominate the letters throughout and be expressed by more than "please" or "kindly."

Bankruptcy Discussion

St. Joseph.—Bankruptcy was the subject discussed by attorney O. W. Watkins at a recent dinner meeting of the St. Joseph association. Forty members heard the highly educational talk of Mr. Watkins, who is an expert on bankruptcy, writes secretary W. E. Smith.

Organization and Thrift Help Farmer

St. Paul.—"Helping the Farmer to Help Himself" was the subject of the address given by Dan Wallace, editor of The Farmer, at a recent meeting of the St. Paul association. In the opinion

of Mr. Wallace there can be no betterment of the rural financial situation until protection of farm products has been increased and freight rates reduced. He declared that the national conference held recently at Washington to solve the farmers' problems found that nothing could be done at the present time to relieve conditions to any material extent. The farmers' greatest problem is the extension of credit. He said that the farmers must work out their salvation by rural organization and thrift, reports W. D. Mann, C. Gotzian & Co.

Legal Department Not Lazy

Salt Lake City.—The Legal Department of the Salt Lake City association although only six years old has rendered active service to members. Although the bulk of the business of the Legal Department is in the nature of suits brought on claims for members, many different branches of the law are also embraced, including an extensive amount of bankruptcy practice before the Federal Courts, foreclosure suits, suits to gain possession of property, to set aside fraudulent conveyances of property, intervening in behalf of creditors to establish their rights, contests involving validity of mortgages, priority claims, damage suits, suits to disclose concealed assets, to determine partnership liability and many others. Close to 300 suits are filed a year. Seldom a day passes when the department is not called upon for legal opinion on some point or other raised by members. These sometimes involve written opinions after an exhaustive search of the authorities and more often telephone conversations as to the members' right or privileges. The department also passes upon securities, mortgages and other evidences of indebtedness, to know that they are in proper form for recording, writes Thomas O. Sheckell in the bulletin of the Salt Lake City association.

Selma Officers

Selma.—Officers for the year 1922 have been elected by the Selma association as follows: president, H. G. Pattillo, Pattillo & Russell; vice-pres. R. H. & W. C. Agee; sec. R. S. Carothers, Selma Hardware Co. and treas. H. F. Cooper.

Co-operative Market Will Help Farmer

South Bend.—"I am sure that legislation will soon be passed that will enable the farmer to borrow money on his crops which can then be held in warehouses until they are needed, which will be a great help to him and prevent the market from being flooded," said Rome C. Stephenson, president of St. Joseph Loan and Trust Co., in a recent address to the members of the South Bend association. He explained the importance of the Agricultural Conference which he attended in Washington, D. C., at which there were 368 delegates representing every line of business co-related to the farmer. From this group of men came the nearly unanimous decision that co-operative marketing was one of the things that would work wonders with the farmer. By this system the farmer would receive 72 per cent. of the price that is

paid by the ultimate consumer against 36 per cent. as at present. The system has proved a success in Denmark, Holland, Sweden and other countries.

Prof. David A. Weir, head of the department of finance, Notre Dame University, discussed business conditions from an optimistic standpoint and declared that the depression through which we are passing would have been much worse had not business in recent years been constructed on a better foundation.

In the absence of J. C. Locke, who is ill, vice-president B. F. Fry presided.

New Year Begins in Springfield, Ill.

Springfield.—The newly elected officers of the Springfield association are president Robert Patton, Jagman-Bode Co.; vice-pres. H. D. Remington, Blue Valley Creamery Co.; treas. P. E. Starkey, The 400 Cigar Co.; and sec. John B. Midden, Smith LaFayette Gro. Co. Directors for the ensuing year are John P. Springer, Central Ill. Paper Co.; E. Schafer, Joe Schafer; and E. Stuart Davis, Springfield Paper Co.

Promissory Notes in Business

Toledo.—The practical use of promissory notes in business was the subject of Attorney Geo. W. Ritter's talk before the last noon meeting of the Toledo association. Mr. Ritter, Ritter & Hutchins, said "the Negotiable Instruments Law is a uniform law adopted by thirty some States. In Promissory Notes the promise contained therein must be unconditional; the amount of money and time of payment must be certain; the instrument must be signed by the maker and must be given for value (with the exception of an accommodation note) and consideration must be a legal consideration capable of performance. It is now held that a Negotiable Instrument given by a person under legal age is not void, but voidable at the option of the person upon becoming of age.

"The Courts hold that the validity of an instrument drawn in one State but payable in another jurisdiction will be determined by the laws in the State where note is payable. Any material alteration as to date, sum payable, time or place payable, or any other change in the note, voids the instrument. Alteration, however, does not cancel the debt.

"A bona-fide holder, or person receiving a note for value before maturity, gets a title free of all infirmities even though the title was originally obtained by fraud or had been lost or stolen after endorsement but not if the maker was, without any negligence on his part, induced by fraud to sign in the belief that it was an entirely different kind of paper. Co-makers of a note are equally liable. When signed by one person, and another as surety, both are equally liable. When signed by one person and guaranteed by another, guarantor is not liable unless the maker will not pay. Presentment for payment must be made on the date when the note is due. Failure to present note for payment at proper time and place discharges the indorsers from liability and relieves the maker from payment of further interest but not from the principal sum of the note. This is not to be confused with Protest. Protest is necessary only in case of foreign bills."

The Toledo weekly bulletin says that 1100 more credit interchange inquiries were received during February than any previous month in the bureau's history.

"We Attended Detroit and Atlantic City"

Utica.—"We Attended Detroit and Atlantic City. How about Indianapolis?" read a placard placed on a table at the last meeting of the Utica association at which sat delegates to these Conventions. There were about sixty members at the dinner which was in the charge of Francis P. McGinty, vice-president Utica City National Bank.

—Highly practical subjects occupied the attention of the members of the Utica association at their best meeting: (1) There was a demonstration of a bank's customer making application for an extension of a loan and an increase of line of credit. The borrower was Frank C. Thurwood, Citizens Trust Co., and the banker, Francis P. McGinty, Utica City National Bank. The borrower presented statements for 1920-1921 and these statements were analyzed by the bank in such manner as to show how the banker scrutinizes the statement for losses and what he lays emphasis upon. (2) A similar demonstration was made when Grover C. Clark, Utica Trust & Deposit Co., interviewed I. C. Flint, Oneida National Bank. The point in this case was to show the character of paper suitable for re-discount purposes at the Federal Reserve Bank.

Among the points brought out were the importance of corporations or partnerships carrying proper insurance on the lives of principals; the fact that banks cannot make capital loans; that the banker considers whether there is a proper charge off on merchandise, a proper depreciation on buildings and machinery, and whether there is any improper use of corporation funds for the personal benefit of any of the stockholders.

The meeting was not only entertaining but instructive, writes Herbert Hemmens, Utica Trust & Deposit Co.

New Officers for Waco

Waco.—The newly elected officers of the Waco association for the year 1922 are: president, D. E. McGlasson, The V. Kemendo Co.; vice-pres., H. J. White, Turner-Coffield Co.; sec. treas., L. F. Clark, Armour & Co. Directors elected to succeed W. E. Talley and J. F. Daniels are W. N. Orand, The Shear Co., and H. E. Cunningham, Meadows Gro. Co.

On account of increased expenses the annual dues have been raised from \$20 to \$25.

Business Cycles Are Factors Not Theories

Washington.—Business men who hold that there are no such things as periods of depression and prosperity recurring at more or less regular intervals are very much in error is the opinion of Dr. John Whyte, head of the Research Department of the National Association of Credit Men, who spoke before a recent luncheon meeting of the Washington association. Dr. Whyte declared

that business experience has shown that these periods occur at more or less regular intervals and that the National Association is engaged in tentatively blocking out a system by which collection statistics as they vary from day to day and from year to year will be available to the credit men of the country.

It is planned to have Representative Isaac Bacharach, of the House Ways and Means Committee and a leading exponent of the sales tax, discuss the merits of his sales tax bill pending in the House, at the next meeting of the association.

Four Ways to Build Surplus

Wheeling.—Royal A. Miller, auditor of the Hillman Coal & Coke Co., Pittsburgh, was the principal speaker at the last semi-monthly luncheon of the Wheeling association. "Surplus Account—what does it contain, and how created" was the subject of his address. Today, he said, the financial statement is the basis of credit; with the profit and the loss statement, everything is plain to the creditors or prospective investor. Mr. Miller described the full meaning of the balance sheet and the term surplus, and said there were four ways of obtaining a surplus—contributions from proprietors or stockholders, appreciation of book value of certain assets, sale of capital assets and profits from operation.

Wheeling Joins National Interchange

By Rowe Williams

Wheeling.—At the annual meeting of the Wheeling association held April 3, Robert Lee Boyd was elected president, H. L. King first vice-president and Geo. J. Eberts, second vice-president.

It was voted, after hearing John E. Norvell of Huntington, vice-president of the National Association, speak on the credit interchange bureau, to affiliate with the National Interchange with the expectation of adding shortly an adjustment bureau service.

Another speaker was Chas. R. Carder, vice-president of the Huntington National Bank and president of the Huntington association, who issued an urgent invitation to attend the West Virginia state conference at Huntington.

Perfumed Statements

E. S. STOBIE, Oliver Chilled Plow Works, Kansas City, Mo., declares that credit men have been missing a real collection advantage in failing to perfume their statements, and that it might help the credit man if his house would adopt some distinguishing perfume and use it particularly in forwarding statements of account. The suggestion came to him through a customer who evidently would be prompted to respond to such a device. He wrote Mr. Stobie as follows:

"Dear Sirs: Please send me an atomized statement up to date for what I owe you also show what cash discounts I am entitled to for a check by return mail, as I want to send a check to balance account."

State Conferences of Credit Men

Inter-State Conference at Salt Lake

By Rowe Williams

THE second inter-state conference of the credit men of Utah and Idaho called together recently at Salt Lake City about 150 members of the Inter-Mountain and Boise Associations of Credit Men. In the absence of Secretary Tregoe, who had been prevented by illness from attending, Asst.-Sec. Orr and B. B. Tregoe, manager of the Foreign Department, represented the National office of the National Association of Credit Men.

The morning session was presided over by F. S. Walden, president of the Inter-Mountain association and the afternoon session by National Director B. E. McIntosh, Salt Lake City.

The speakers of the day were:

N. Y. Schofield, Z. C. M. I., Salt Lake City;

G. M. Nichols, Salt Lake Hardware Co., Salt Lake City;

J. D. A. Dirks, Manager of the Boise association;

W. G. Seley, Ogden Wholesale Drug Co., Ogden;

Orson M. Rogers, of Salt Lake Glass and Paint Co., Salt Lake City;

S. W. Leaver, Inter-Mountain Electric Co., Salt Lake City.

Each presented a carefully prepared paper on the subject assigned to him and in each case sustained his arguments and contentions by experiences which had come to him in the war and post-war periods. During the sessions, characterized by rapid fire discussion under each topic, when every proposition offered was put to close analysis by the conferees, a picture of the conditions under which inter-mountain merchants had been doing business in the deflation period was obtained. It was a picture of business men, and particularly the credit men of business, working in the closest co-operation. Day after day had followed each other characterized by threatened business paralysis. Markets were well nigh dried up in all the inter-mountain region. Threats of the severest losses had been over-hanging even the strongest houses. The spirit of co-operation entered, saved the day and did its work as it always has and will whenever selfishness can be suppressed.

The banquet following the sessions of the day held in the Hotel

Utah was a brilliant affair. J. T. Young of Pocatello, vice-president of the Inter-Mountain association, who had undertaken leadership in forming a loan company to take advantage of the resources of the War Finance Corporation in assisting the farmers of Idaho to plant their 1922 crop, presided and graciously introduced the speakers of the evening, Stephen H. Love, who spoke on "Freight Rates on Utah Products," and Messrs. Orr and Tregoe, who presented striking phases of the Association's work.

No one could have taken part in this splendid conference without being impressed with the fact that the credit men's organizations of the inter-mountain region have been doing a work of incalculable value in giving steadiness and strength to business during a most difficult period.

West Virginia Conference

Huntington.—West Virginia credit men turned out 250 strong for their seventh conference held April 7 at Huntington. The work of the day began with an address by Charles R. Carder, vice-president of the Huntington National Bank, and the two sessions of the day were presided over by John E. Norvell, of Huntington, vice-president of the National Association, and R. L. Boyd, of Wheeling. Secretary Tregoe served as councillor and quiz master of the day.

Only a few of the many good points brought out in the excellent papers can be given here. F. P. Moats, of Parkersburg, speaking on economic conditions in the post-war period appealed for a fuller appreciation of the interdependence among the nations. He pointed out that we are inevitably in competition with other nations and must place ourselves in a position to compete with them on legitimate, intelligent and above-board lines, and must establish a cordiality of relations with these competitors that will enable us to trade honorably and profitably with the world.

John T. McClintock, McClintock-Fields Company, of Ashland, whose subject was "Interchange and Adjustment Bureaus," asserted that a series of experiences, chronicled in nearly every credit men's gathering in the world, had proved the inefficiency of individual action as contrasted with co-operative exchange work, and that co-operation is the most essential thing in all credit work.

Virgil L. Highland, Empire National Bank, lead a discussion on "Taxation," from the dual standpoint of the man behind the bank cage and the man who engages in other business occupations. Mr. Highland spoke with directness of several forms of taxation; the effect of the application of various forms of levy and with a constructive purpose in mind offered criticisms of present tax laws. "No good," he said, "can result from trying to tax

the north at the expense of the south, or farmers at the expense of Wall Street, because all real interest is mutual, for Wall Street never prospers when the farmer is down and out, but studies the farm situation most intensively and knows all about it. When the farmer is prosperous, Wall Street looks for good business generally, and Wall Street is the center of business, whatever the politicians may say. When the farmer is down and out, Wall Street takes to the woods. Therefore, the cry that Wall Street, or the moneyed interests generally seek to destroy the farmer is to say that a wise husbandman will deliberately chop down the trees that bear the fruit, and kill the goose that lays the golden egg. It is the last word in ignorance."

L. O. Emerick, of Charleston, spoke on the qualifications of the credit manager, who, he said, is the student, thinker and philosopher of a business organization, holding a position unlike that of any other in the business, for around it circulates the activities of the whole office, whether selling, accounting or correspondence. If the office is efficiently handled it will bring trade; if not, it will retard sales and hamper trade.

At the evening meeting Secretary Tregoe presented a strong and eloquent appeal in which he called upon the credit men of the nation to uphold in their lives those principles of fair play and sympathetic co-operation for which the organization has these many years stood, making the National Association a force for righteousness.

Edwin M. Keatley, of Charleston, speaker of the West Virginia House and a leader in the Charleston association, offered a resolution which was unanimously endorsed proposing the name of John E. Norvell of Huntington as candidate for presidency of the National Association.

Johnstown Fills the Bill

Johnstown.—The Pennsylvania-New Jersey Credit Men's Associations held their fifth conference at Johnstown, April 6. Every organization within the two states, but Wilkes-Barre, was represented, Pittsburgh sending 90 delegates, Philadelphia 25, while Newark, Harrisburg, Reading, Lehigh Valley, New Castle, and, of course, Johnstown, were strongly represented, making in all nearly 200 delegates for the day sessions and 450 for the evening banquet held at the Fort Stanwix Hotel.

The National office was represented by Assistant-Secretary Orr in the absence of Secretary Tregoe who had found it necessary, because of heavy pressure, to delegate some of this conference work.

The Johnstown association had made every possible preparation to assure the success of the meeting. As the youngest organization in the conference district, it was resolved that nothing should happen to mar the day. President Lee had placed the responsibility upon the Johnstown Committee, E. F. McGinley, chairman, and Secretary R. H. Coleman, who had prepared against every contingency.

The speakers of the day were: R. G.

Wharton, A. Wilhelm Paint Co., Reading; Wm. G. Kimber, Jr., Babyuke Bros. Inc., Philadelphia; R. T. Graham, Pittsburgh Dry Goods Co., Pittsburgh; William H. Hutt, Deputy Governor, Federal Reserve Bank of Philadelphia; D. S. E. Parthemore, Moorehead Knitting Co., Harrisburg; C. E. Siegfried, M. S. Young & Co., Allentown.

At the conclusion of each program feature, Mr. Orr lead a discussion bearing upon the ideas developed in the paper. The effort was made to get out of the subject every possible point of value to the credit man within the brief period allowed. The responses from the floor were prompt and to the point.

A Resolutions Committee, headed by E. J. Titlow, of Reading, offered resolutions of congratulations to President Harding for the successful conclusion of the international conference on Armament Limitation; of appreciation to Secretary of the Treasury, Andrew W. Mellon, for the successful administration of the Treasury Department. There were resolutions of confidence in the Federal Reserve Board and the administration of the Federal Reserve Banks; depreciating the coal strike and expressing the hope that this costly strike would be brought to an early conclusion; urging the safe-guarding of the trade acceptance against its use to represent any other than thoroughly liquid accounts. The committee also offered resolutions urging the use of the adjustment bureau departments of the Association; expressing appreciation of the work of the state councillors in arranging for the Johnstown meeting; thanking the Johnstown members for their cordial hospitality; and expressing regret in the absence of Secretary Tregoe from this important conference.

At the evening banquet, for which the Johnstown members had made careful preparations, a busy day was brought to a happy conclusion. Besides speeches by Judge John H. McCann of the Cambria County Court and Mr. Orr, there was singing by the delegates and excellent instrumental music provided by a local orchestra.

Through this conference Johnstown bounded all at once from a youngster association to a mature organization right alongside of its older brother organizations.

Second California Conference

Los Angeles—The credit men of the state of California held their second conference in the city of Los Angeles, March 10 and 11, with Assistant-Secretary Orr and B. B. Tregoe representing the National office in the absence of National Secretary-Treasurer Tregoe. Under the direction of A. F. Stepan, Western Wholesale Drug Co., every possible arrangement for a successful series of meetings had been made.

President E. C. Gayman and Secretary F. S. Jefferies of the San Francisco association brought 70 leading members of that organization to the conference, and they contributed much to the enthusiasm which characterized the sessions from the Friday morning opening to a late Saturday afternoon closing. The San Diego association was also well represented by 7 members.

President McCourt of the Los Angeles association presided and F. B. McComas substituted for Secretary Tregoe as quiz master. His quick wit and irresistible humor contributed greatly to the good

for the maintenance of their comerspirit and excellent results of the conference. Though two days had been planned the sessions were crowded and discussions of successive papers had to be brought to a sharp close to make place for the next program subject.

The speakers were: H. A. Nater, vice-president Bank of Italy, San Francisco; F. W. Black, California National Supply Co., Los Angeles; Wm. H. Moore, Jr., U. S. District Court, So. District of Cal.; C. R. Cosby, Zellerbach Paper Co., San Francisco; H. W. Reynolds, Haas, Barush & Co., Los Angeles; Wm. A. Day, Deputy Governor, Federal Reserve Bank, San Francisco; A. Henderson Stockton, Townsend, Stockton & Drake, Phoenix, Ariz.; and Eugene S. Elkus, The Elkus Co., San Francisco.

There was also a demonstration of the workings of the Adjustment Bureau in which H. I. Bremner and A. F. Stepan acted as partners who had got into financial difficulties and E. H. McGinness, Union Hardward & Metals Co., J. D. Machomich, Rivers Bros. Co.; C. F. Longley, Bishop & Co.; E. M. Kramer, Swift & Co., and C. B. McMannamy, Hass, Baruch & Co., as creditors and S. P. Chase as the Board of Trade representative.

A splendid banquet was given on the evening of Friday at the beautiful Hotel Ambassador. There was an interesting and varied program of music and speaking, followed by dancing and opportunities for friendly get-togethers.

The papers of the conference all gave evidence of having been prepared with much care and thought.

Resolutions were offered and presented by the chairman of Special Committee F. M. Couch, Blake, Moffit & Towne. These resolutions pledged the earnest support of California associations to the national bankruptcy law and the amendments to the law being offered by the National Association; expressed confidence in the Federal Reserve Banking system and in those who are administering the system in the various districts; urged upon California members that greater insistence be made upon the financial statement as a basis of credit and urged the use of the signature form recommended by the National Association; pledged the California associations to work for closer co-operation, mutual understanding and good fellowship, that the credit interests of the state may be the better protected; urged the importance of holding these state conferences annually and bringing their benefits to the attention of the managing heads of the various houses represented.

It is impossible in a brief account to convey even inadequately an impression of the good spirit that came out of the sessions of the California conference. To one who was in position to compare conditions as he saw and felt them there, it would seem that certain lines of activities and forward movements which were but in the formative stages in some parts of the country, had long since advanced to a high state of development on the Pacific Coast. Adjustment Bureau organizations particularly, had long since grappled with difficulties and problems and conquered them, which, in some other parts of the country, had not been even measured.

Another striking fact was that two cities, rivals for business in many parts of the great western country, could be firm friends and mutual admirers though fighting with the fullest vigor

cial prestige; and again though 3000 miles from the National office the California associations evidently felt as closely knit into the National Association as if they were under the shadow of the Woolworth tower, and recognized the value of their affiliation as beyond being figurative.

One felt at this notable conference that he was of a force that is exerting a potent influence that is helping to prove that our great Republican government is not an experiment.

The Pacific North-West Organizes

Tacoma—Guy Purdy, Puget Sound Flouring Mills Co., sends the following report on the Northwest Conference of Credit Men held in March at Tacoma, which was pronounced the most successful conference ever held in the district, including Tacoma, Seattle, Spokane, Washington and Portland:

The permanent organization of the district, which will be known as "The Council of Credit Men's Associations of the Pacific Northwest," and which will function throughout the year, was accomplished at this Conference. It is the belief of the local associations involved that this step will be of far-reaching effect, and that through the operation of the new District Council results will be accomplished which would have been impossible by independent action.

The most important of these for the early attention of the Council will be a revision of the laws of Oregon and Washington affecting credit granting and the handling of debtors. Many of these laws are inadequate or obsolete, and especially in the state of Washington there is a lot of much-needed legislation that the three Associations working independently have been unable to have passed. Now the membership of the Northwest Council will include 75 per cent. of all the manufacturers, jobbers and wholesalers in the two states, and it is expected that a concerted effort, systematically directed by the trustees and officers of the new organization, will bring sufficient pressure to bear to have enacted any laws demonstrated to be of real benefit to all phases of business in the Northwest.

The officers of the new Council of Credit Men's Associations of the Pacific Northwest are N. Halgren, Seattle, Pres.; E. H. Johnson, Portland, Vice-Pres.; C. A. Giblin, Seattle, Sec.-Treas. The directors are, besides the above, C. O. Bishop, H. E. Hartline and W. W. Keyes, Tacoma; H. S. Gaunce, Seattle; W. B. Layton and H. D. Marnock, Portland, and W. A. Yeomans, A. E. Rowe and R. D. Simpson, Spokane.

The Conference was well attended. Special cars were made up at Spokane and Portland, and a special train sent from Seattle. At the evening banquet 350 Tacoma credit men and their guests enjoyed an excellent program.

During the banquet the Portland association was awarded the cup, presented by the Tacoma association for the largest proportionate attendance at the Conference. The percentage of the three visiting associations was very close; and Portland won from Seattle and Spokane by only a very small margin.

The convention passed unanimously

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a resolution recommending the nomination of W. A. Yeomans, Spokane, as the next National Director from this district.

The following is the program of the day session:

FORENOON

Taxation by E. H. Johnson, Miller, Calhoun & Johnson Co., Portland. Quiz led by C. A. Giblin, Puget Sound Machinery Depot, Seattle. Liquidating the insolvent estate and saving the embarrassed debtor by H. S. Gaunce, Sec. Treas. Seattle Merchants Assn. Quiz led by C. A. Giblin.

The Federal Reserve System by Geo. H. Greenwood, cashier, Old National Bank, Spokane. Quiz by C. A. Giblin.

Credit, the Ally of Modern Commerce; its Historical Development and the part it is playing in the Business World Today. Foss B. Lewis of Simmonds Mfg. Co., Portland.

AFTERNOON

After lunch a demonstration was staged by eight members of the Tacoma Association entitled "Our Legislative Committee." This sketch was written and directed by Fred Martinetti, Tacoma manager of Bradstreet's, and brought out in a clever way the inadequacy of some of the Washington state laws. Those taking part were E. B. Lung, C. H. Plass, Walter Ely, Mrs. Ethel Fairchild, H. J. Baker, L. R. Smith, J. F. Grievens, and C. F. Kuhl.

Cleo F. King of the Seattle Hardware Co., read a paper on "Co-operation as a Factor in Credit Commerce and in the Relations of Men with one another."

The Portland Association staged a demonstration The Handling of an Insolvent Debtor by an Adjustment Bureau. Nineteen took part in this play, which was well written and acted and brought much applause.

During the day the following telegram was received from W. P. G. Harding, Governor of the Federal Reserve Bank: "Greetings and best wishes to the credit men of the Northwest. The work of your members is of the highest importance and is the foundation of those larger transactions which involve banking credit." A cordial telegram was received from National Sec. Treas. Tregoe, to whom the Conference sent a reply in kind.

The evening speakers were B. B. Tregoe, Foreign Credit Department National Association; Dean Stephen I. Miller, Univ. of Washington, and C. Oscar Johnson, pastor First Baptist Church, Tacoma.

Mr. Tregoe outlined the conditions affecting foreign business at the present time, and told of the work of the Foreign Credit Department of the National Association. His address occasioned favorable comment.

Dean Miller spoke on relative positions of the four economic factors of business: Rents, interest, profits and labor. Rev. Johnson's subject was Locks and Keys. He declared Character by far the greatest of the C's. The real locks and keys of commerce are not the vaults and safes, but the faith and confidence placed in those with whom the combinations and keys are intrusted. And this confidence is founded on character, the same thing that furnishes the foundation for our vast credit system.

Other features of the evening's entertainment were the singing by Seattle's Glee Club; a monologue by a black-faced comedian; a male quartette, and some "fake" telegrams from absent notables.

The Conference Committee, which deserves much praise for the success of the convention, were H. E. Hartline, Chairman; C. O. Bishop, F. H. Martinetti, Chas. Plass, Edna Gustafson, Horace V. X. Wright, H. C. Simmons, L. R. Smith, W. L. Fitzpatrick and Fred English.

Foam from the Three C's



The doughnut industry is obviously a wholesale business.

cCc

Our House of Reprehensibles might be described by Kipling, A rag (see "Chewing"), a bonus, and a tank of air (see "Hot").

cCc

A leader of a farmers' contingent would probably object to being referred to as a bloc-head, wooden he?

cCc

The net profits in some branches of the fishing industry are altogether inseason.

cCc

After the treatment Russia has suffered at the hands of Lenine and Trotsky there is little wonder that the country is unrecognizable.

cCc

The rumor that German efficiency and accuracy has been increased by inflation is well founded—nowadays the people never miss their marks.

cCc

The statistician of the Landlords' Association estimates a necessary expenditure of \$45,346,259.18 for replacing wall-paper used by tenants in figuring out income tax returns.

CREDIT GRANTING A LA MODE

The Three C's of Credit Granting, while still safe for navigation, have changed radically in relative importance.

Capital, which at one time made an important third leg for the credit table, has more or less faded into the background. A man with too good a capital is now an object of suspicion. Honesty may have its reward in Heaven, but the crooks certainly seem to be cleaning up on this clod of dirt. A super-healthy financial statement may indicate that the maker has one-way pockets and a callous conscience. Honest men, having so little competition, should make good in business, but they seem to have a hard time.

Capacity also isn't the good old "C" it used to be. Some people are inclined to try out their capacity on home-made hooch; and in such a case the more capacity, the less capital, and consequently half C's under. The other brand of capacity isn't what it has been cracked up to be, either. A man with too much capacity may boil over and use his surplus brain power for figuring out some quick overturn of turnover. Yea, verily, better every time a modest capacity, or in other words, a stomach that fits the breakfast.

W. B. Cross and J. Pierpont Morgan have maintained that *Character* makes the two other C's look like mud puddles. Accepting the statement at its face value, the first question that presents itself is, how may one determine Character? Does its possessor resemble the man with a backfiring liver, whose picture appears in pill advertisements, or is he a person who throws out his chest, twirls his cane, and cocks his halo at a jaunty angle? In fathoming this question, credit men will have to expand their curriculum by making a study of the corners on people's heads, a science commonly known as phrenology, and by turning people's souls inside out through the machinery of psycho-analysis.

The financial statement of the future will be accomplished by the photograph of the applicant for credit. The credit man will pass on the statement and then analyze the photograph by the simple rules of character reading. For instance: (a) He will know that a man with eyes set close together is a dangerous risk. The left eye of such a person is usually far-sighted and the right eye near-sighted. Consequently in making up a financial statement the Assets will be highly magnified and the Liabilities greatly reduced; (b) A person with one eye looking north and the other looking south is probably honest, although he may not look straight; (c) A man with red hair should be watched, his mind naturally runs towards fires, and spontaneous combustion is a common cause of conflagration; (d) The type whose chin is trying to hide behind his Adam's apple is usually honest though incapable; such a man, in all probability has nervously pulled his chin into reverse by worrying over how to stall off credit men.

The above are merely a few examples for purposes of illustration, but below is a typical letter of the super-modern credit man:—

"Dear sir:—

Thank you for your order of the steenth instant, which was accompanied by a financial statement and photograph.

Your financial condition seems excellent, but before extending credit, would ask that you conform to one requirement, i. e., get a shave. With the exception of a double-jointed nose, your upper features are O. K., but the whiskers hide even your Adam's apple and in view of Russian precedent, increases greatly the moral risk.

Upon receipt of a clean-shaven photograph, the matter of a line of credit will be further considered.

Yours truly,

N. A. LIZOR,

B. B. T.

A Weather Report on Credit

Help Make It Complete by Sending in Your Figures

By John Whyte, Ph.D.

Director of Research, National Association of Credit Men

THE Trade Group Conferences have been for many years one of the features of the Annual Convention of the National Association of Credit Men. It is planned this year to make them even more interesting than they have been. The innovation last year of a summary of business conditions in each line will be continued this year. On

Wednesday afternoon, June 7, each trade group conference will devote part of its time to answering identical questions on business conditions. On Friday afternoon, June 9, at 3:45, the chairman of each group will present to the Convention the business summary of his group. Each attendant at the Friday afternoon session will be provided with a

form upon which he can take down the summary of each group. This will give him a consolidated weather report on business conditions. Thus each attendant will leave the Convention with a nation-wide summary of business conditions, by trade lines, and will have an up-to-the-minute knowledge of the status of business as of June 1.

In order that the summaries may be as inclusive as possible, *non-attendants* are asked to co-operate with the trade groups in filling out the same questionnaires. The form of reply herewith for non-attendants is suggested for this purpose. The full summary will be reported for the benefit of non-attendants in the July CREDIT MONTHLY.

Non-attendants may send in their information arranged as below. Read instructions carefully.

Name of trade

TRADE GROUP CONFERENCE, INDIANAPOLIS, JUNE 7, 1922

ANSWER BY PUTTING CROSS IN PROPER COLUMN

1. Were your collections better, stationary or worse in May, 1922, as compared with April, 1922?
2. How did your sales in dollars for May, 1922, compare with those for April, 1922?
3. How did your sales in units for May, 1922, compare with those for April, 1922?
4. How did your collections for May, 1922, compare with those for May, 1921?
5. How did your sales in dollars for May, 1922, compare with those for May, 1921?
6. How did your sales in units for May, 1922, compare with those for May, 1921?

Better?

Stationary?

Worse?

Has the revival of business activity reached your line? Yes.....No.....

Name in order of importance to your firm the two most adverse factors to prosperous business in your line:

1.....

2.....

Do you represent a manufacturing house?.....jobbing house?.....mercantile?.....

State location of business: City.....State.....

Name of firm (optional).....

INSTRUCTIONS

1. Wait until you have your May figures and then send the figures immediately to Dr. John Whyte, National Association of Credit Men, Hotel Claypool, Indianapolis, Ind., so that they reach him not later than June 6.
2. Mail the figures only if you do *not* plan to attend the Convention.
3. The above will be reprinted in the June CREDIT MONTHLY, but do not send in the figures twice. The above is for those members who will not receive the June issue in time to get their replies to Indianapolis by June 6.
4. The trade groups which will hold conferences are listed below. Under "name of trade" at the top of the blank insert the exact name of the group to which you belong.

If your business does not fall within one of these classifications, mark it "miscellaneous" and it will be used in a report on the unclassified industries represented in our membership.

Boots and Shoes.

Clothing and Allied Lines.

Drugs, Chemicals and Allied Lines.

Dry Goods, Notions and Allied Lines.

Furniture and Allied Lines.

Groceries, Provisions, Confectionery and Allied Lines.

Hdw., Auto. Accessories, Elec. Supplies & Allied Lines.

Hats, Caps and Allied Lines.

Implements, Vehicles and Allied Lines.

Iron and Steel.

Jewelry and Allied Lines.

Millinery and Allied Lines.

Paints and Varnish.

Paper Supplies and Allied Lines.

Keeping Fit to Music is Fun

Free Sample
Record
Proves It

Famous "Daily Dozen" Now on Fascinating Phonograph Records, Is Bringing New Energy, Health and Vitality to Thousands—Both Men and Women.

By Bruce Gordon



Users Filled With New Vigor and "Pep"

Here are extracts from letters, typical of the many constantly received from "Daily Dozen" enthusiasts:

"Music a Great Aid"

"I am delighted with the records and they solve my problem of exercise, thus making me a more efficient teacher. The music is a great aid," writes Mr. Guy Eugene Oliver, of Northwestern College, Illinois.

Enthusiastic

"I just want to add my word of enthusiasm to the many others regarding your wonderful records. They have filled a long-felt want. For the first time in months, I might say in years, I can relax at night and sleep. God bless Walter Camp and the Health Builders, say I!"—Mabel Corlew Smith, New York.

"So Much Fun"

Mrs. Mary Bates, of Duluth, Minn., says, "We are enjoying the exercises very much. It is so much more fun to exercise to music."

Whole Family Delighted

We wish to express our satisfaction and delight with our sets of records and exercises. Our entire family of eight, including the maid, are taking them. The children are fascinated with them and bring the neighbor's children to do them. —Mrs. Charles C. Hickisch, 828 Vine St., La Crosse, Wis.

"Wonderful Records"

The set of records have come. I never knew that exercises could be made so attractive. The album makes the whole a most beautiful gift. That is what I wish it for—for my son. I am certainly going to show and recommend your wonderful exercise records to all of my friends. —Mrs. Kate W. Hudson, 202 W. California St., Pasadena, Calif.

"Took Family by Storm"

I received your complete set of records yesterday and was delighted with them. They took the whole family by storm, as it were, and before the first record was played the second time the whole family were up and going through them as I was. I am convinced absolutely that your system of Health Building should be in every household, because of its simplicity and the benefits to be derived from it for all members of the family. —Walter N. Hyans, Buffalo, N. Y.

"COME on, old man—I'll put a record on the machine and show you what bully fun it is!" urged my friend Jim Smiley. "I used to feel just as 'played-out' as you do now—after a hard day—but not any more! Come on, I'll cure your headache, too!" he promised.

I was spending the night at Jim's house. We had a little talk before turning in, and I confessed to feeling exhausted and rotten. He had selected a record and was already putting it on the phonograph, so I agreed to try his keeping-fit exercises—just to please him.

After setting up some large charts that showed by actual photographs the exact movements to make, Jim started the machine. After a few words of explanation by a voice, speaking from the record, a lively tune started, and then the voice began giving the commands. I watched Jim and did just as he did. Almost at once I began to feel exhilarated—the way you feel when the jazz band starts. We did one exercise after another in this way until we had gone through Walter Camp's whole famous "Daily Dozen"—the exercises this great Yale coach and athletic authority devised during the war to keep the Army and Navy, the Cabinet and other officials, fit and energetic for their work.

It took only about ten minutes, and I had to agree with Jim that it was bully good fun. Besides, I suddenly discovered that my headache had indeed vanished entirely.

To make a long story short, I too became a "Daily Dozen" enthusiast. Every morning now, for the past three months, I have sprung out of bed with real anticipation of the ten minutes' fun with the phonograph that is making me feel better, eat better, sleep better, yes, and work better than I ever did before. I used to think like many other "indoor men," that I didn't like to exercise. That was before I experienced the effects of the "new principle of exercise" that is embodied in the Health Builder System—using the famous "Daily Dozen"—set to music—with Mr. Camp's special permission.

If Your "Torso" Is Fit So Are You

I have found that men and women can keep themselves fit with only ten minutes a day—but the place where they must look after themselves is in the torso or trunk muscles.

Americans have lost sight of this fact—to their cost. Keeping fit is not a matter of long, tiresome exercises with dumb-bells and gymnasium appar-

ratus, or of strenuous outdoor games. It is simply a matter of keeping the muscles of the "torso" in perfect condition. If your "torso" is fit, so are you!

People fail to realize that the true seat of the vital forces is in the abdomen—not the brain. The great secret of health and energy is still known and practiced in the Orient—in India and China—where the "throne of life" is rightly regarded to be in the solar plexus—in the trunk. The "Daily Dozen" exercises are scientifically devised to keep this vital spot in splendid muscular condition—and the whole body and mind get the benefit.

10 Minutes' Fun Is All You Need

Walter Camp's "Daily Dozen," set to specially selected music on phonograph records, becomes the ideal, effortless exercise—and every time you swing through these enjoyable movements you can be sure that your body and mind are being kept fit in the most efficient and effective way ever devised! And it takes only ten minutes a day.

TRY IT FREE

See for yourself—without a dollar of expense—how the "Daily Dozen" with music will build up YOUR health, strength, and nerves. We will send you, absolutely free, a record (playable on any disc phonograph) containing two of the "Daily Dozen" movements.

There is no obligation. This record is sent FREE—and it is yours TO KEEP. After you have tried it we feel sure you will want the other records and we will tell you how you may easily own them all. But you are to be the sole judge. When you send the coupon—or a letter will do, if you prefer—enclose 25 cents in money or stamps. This pays only for the postage and packing—the record and chart are free. Send for them NOW. HEALTH BUILDERS, Dept. 855, Oyster Bay, N. Y.

FREE RECORD COUPON

HEALTH BUILDERS,
Dept. 855, Oyster Bay, N. Y.

Please send me your free sample "Health Builder" record, giving two of Walter Camp's famous "Daily Dozen" exercises; also a free chart containing actual photographs and simple directions for doing the exercises. I enclose a quarter (or 25 cents in stamps) for postage, packing, etc. This does not obligate me in any way and the sample record and chart are mine to keep.

Name

Address

City..... State.....



"The Leading FIRE INSURANCE CO. of America"



WM. B. CLARK, President

More than a Century of Service

Aetna Policies

give full protection and cover

Fire	Sprinkler Leakage
Marine	Registered Mail
Automobile	Parcel Post
Tornado	Tourists' Baggage
Rent	Salesmen's Samples
Rental Value	Transit Floaters
Leasehold	Automobile Truck Transit
Use and Occupancy	Explosion
Profits	Riot and Civil Commotion

Losses Paid over
\$205,000,000

AGENTS AT ALL IMPORTANT POINTS

Credit Department Tools

(Continued from page 32)

is used and checked on the left to indicate sources of information to be tapped, and on the right the date of the request. In the case of a new order, the SEND FOR STAMP should always appear.

An exceedingly important instrument for spreading intelligence within and among departments is the CREDIT DEPARTMENT BULLETIN which should be issued in regular serial form, numbered and delivered to each employee whose work is affected by the messages it carries. It should be punched so that it may be placed in the proper book or folder and retained for reference. These BULLETINS should carry the necessary instructions for the use of all office forms, rubber stamps, etc., and no instructions on the use of a form, rubber stamp or order for the handling of work should be issued except in the BULLETIN. The BULLETINS thus become the working manual of an office or department.

There will follow other articles in the series "The Day in the Credit Department," of which this is one. The March article described a method for the saving of correspondents' time; the April issue treated the personnel of the credit department. The important subject of credit indexes will be taken up in an early issue of the CREDIT MONTHLY.—EDITOR.

Ratio vs. the Human Element

(Continued from page 18)

or a large surplus on our balance sheets, but more men who believe in *Men* more strongly than they do in *Dollars*. A patient who places himself in the hands of a great surgeon for an operation, does not do so because of his confidence in the quality of the mechanical instruments which may be employed in the operation, but rather in the ability of the man who is to guide the instruments. So the banker who lends the money, or the merchant who sells the merchandise, lends or sells because there is belief in the character of the individual and his ability to fulfil his agreements.

Ratios can destroy; money can destroy; but they can also build up if properly directed, provided there is a soul back of them.

Radiophone Talk to Credit Men

(Continued from page 19)

normal, with our productive machinery going full blast, no one can exactly say. Although many complicated factors still disturb us seriously, we are on the upward trend.

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usually does, many a credit man is going to forget or half forget the lesson of our recent experience. When prosperity returns optimism is likely to dull our sense of danger. The pursuit of profit will load up shelves, tie up millions of dollars in fixed, non-liquid, assets. And the stage will be set for another crisis and depression.

It takes courage to turn down orders, to suggest to retailers that they are loading up too heavily, even in the face of impending disaster; but there comes a time when it must be done.

It seems to me that many credit men fail to appreciate the full importance of their function. The credit man is far more than a mere "passer on credit;" he controls to a large extent the liquid capital of his house; he is, or should be, the diagnostician of business conditions—a Chinese doctor whose job it is to keep business healthy. Like the Chinese doctor his reward should be a measure of his success in preventing rather than curing business ills. He should educate his dealers and his associates to appreciate, and himself never to forget, the supreme importance of liquidity of credit.

Inter-Plant Athletic Assn.

(Continued from page 24)

probably be twice as many entries in this event, and further plans for girls next winter include basketball, bowling and volley ball, but the development of the last two may have to be postponed until the building of our own club house is completed.

Each plant has its own Athletic Club, and individual dues of 25 cents a month usually pay for necessary equipment without aid from the employers. Social evenings are also enjoyed. In certain plants, shooting craps was the favorite noon hour diversion of the men. Now it is off to the baseball field in summer, and in winter, the rifle range in the cellar, quoits, or indoor bowling upstairs. To my personal knowledge, as soon as the baseball season opens, men stop worse habits than smoking and late poker parties. Through interest in these sports, employers and employed have come to know one another as they never did before, and this holds true between workers in different plants.

There are no more worlds left to conquer, but perhaps in your little world, brother Credit Man, you can start an athletic association like this which will help to keep you in health, and be a benefit to your employers and to your fellowman.

Business Life Insurance

Now Recognized as Permanent Economic Factor

Executive Ability an Asset and a Loss if Displaced

BUSINESS insurance must be recognized as an economic factor in indemnity for the loss of capital and brains. The death of a man closely identified with a business cannot but result in a shock to the organization, possibly affecting its financial credit, its business-getting ability or its efficiency of operation, all of which may bring about pecuniary loss.

Hence it is both wise and prudent for business concerns to have the lives of men whose death would affect them in this way properly protected by life insurance, thus assisting to tide over temporary difficulties and provide for continuance.

A man who has great executive ability, or whose knowledge assists in shaping the destiny of a business is of distinct economic value to the organization, and the same may be said of the Financial Man in touch with business conditions, banks and bankers, etc.

It is also true of the Sales Manager, whose ability and tact has developed the producing factor. It may also be the Buyer of the concern, whose knowledge of market conditions leads to closer trading and better profits. It may be the Foreman of the shop, whose skill and industry have become a per-

manent and substantial part of the business.

The loss of any one of these may throw the organization out of gear, resulting in disarrangement and actual loss.

All business men recognize the need of adequate fire insurance protection for their credit,—in fact, they could get no credit if they did not have this insurance, and yet loss by fire is infrequent and may never occur, but death is certain to come sooner or later.

Here is developed a great need for the life insurance policy, and it would seem that good business judgment would prompt the setting aside of the life insurance premium among the fixed charges of a business concern.

The life insurance policy is easily adaptable to varying conditions,—to replace ability and brains, to safeguard credit, to buy out a retiring partner's interest, to satisfy the estate of the deceased member, to establish an emergency fund to tide over re-organization.

In contracts of this description Security of the indemnity will be the first thought of the careful business man, and in this respect the Company offers the very best.

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Are Collections Slow?



400
Pages
Flexible
Binding
Price, \$4.00

Sent for FREE EXAMINATION

"Credits and Collections"

By RICHARD P. ETTINGER,
B. C. S., LL. B.

Member of the New York Bar,
Assistant Professor of Finance
at New York University,

and

DAVID E. GOLIEB, B. C. S.

Treasurer of Einstein-Wolff
Company, Lecturer on Credits
and Collections at New York
University,

will help speed up collections and
improve credit department methods.

THE STANDARD WORK

This book is the standard work on credits and collections and it is in the desk library of the foremost credit men and company officials. It has been adopted for instruction purposes by the National Association of Credit Men, and by practically every university, Y. M. C. A. and other educational institutions offering a course in credits and collections.

In Simple Easy-to-Read Language It Tells You:

- How to obtain credit information about customers.
- How to analyze and interpret financial statements.
- When to extend credit to a customer.
- How to collect slow accounts—including collection systems and letters.
- When to grant an extension or to agree to a settlement.
- What legal steps you may take against a debtor—and how to take them.
- What steps to take to protect your claim in bankruptcy.

And a wealth of other information, including credit insurance, acceptances, assignment of accounts, guarantees, etc., that will help you become a bigger credit man.

To prove the value of this work to you we will gladly send the book for five days' free examination. If at the end of that time you do not feel that you have gained some thoroughly practical and helpful information simply return the book. At least do yourself the justice of examining it. Just fill out and mail the coupon below. Get a copy for every department assistant also. The book will help their work in manifold ways.

PRENTICE-HALL, INC.

publishers of BUSINESS BOOKS and SERVICES

70 FIFTH AVE.

NEW YORK

Mail This Coupon—Five Days' Free Examination

PRENTICE-HALL, INC., 70 Fifth Avenue, New York

Please send me — copies of "Credit and Collections." I have the privilege of examining the books and either remit the price of \$4.00 each, or return them within five days after arrival—without further obligation.

Name.....
(Please print to insure correct delivery)

Firm.....

Street.....

City..... State.....

C.C.203

Positions Wanted

CREDIT AND COLLECTION MANAGER—Age 29. Three years active service in this capacity. During part of nine years have had sales as well as credit experience. Occupy at present important credit position in Canada. Position in New York State desired. Salary \$3,000. Address Advertisement 671.

CREDIT AND COLLECTION MANAGER OR ASSISTANT—Seven years successful experience with a leading manufacturer of men's underwear checking jobbing trade, manufacturers, converters, and foreign retail trade. Loss record clear. Thoroughly competent to assume complete control of credits and collections. Highest references. Available immediately. Salary \$2,500. Age 29, Christian, married. Address Advertisement 672.

CREDIT AND COLLECTION MANAGER—Highly specialized and successful; clear constructive thinker. An executive possessing integrity and vision with credentials to substantiate. Address Advertisement 673.

YOUNG OFFICIAL of manufacturing corporation, having charge of credits, collections and general office work, is seeking other connections. Thoroughly understands handling large department accounts. Would like to hear from eastern firms desiring credit or office manager. Address Advertisement 674.

CREDIT AND OFFICE MANAGER—Would like to hear from concern desiring services of man experienced in accounting, credits and collections, and cost accounting. Has been assistant to president of large corporation and can install modern systems of office management. Address Advertisement 675.

CREDIT MAN AND ACCOUNTANT—Social connection with manufacturer or wholesale house. Desires greater opportunity than exists in present position. Now with steam and plumbing supply house. Six years experience as credit grantor, collection man and accountant. A tactful and efficient executive. Will locate anywhere in eastern states. Salary \$3,000. References on application. Age 30, Protestant. Address Advertisement 676.

EXECUTIVE, CREDIT AND COLLECTION MAN, ACCOUNTANT AND AUDITOR—College graduate, 15 years experience, including 2 years public accounting, best of health, good business education, clear thinker, aggressive and agreeable, seeks connection. Age 38, married. Salary \$60. Prefer Philadelphia or vicinity. Address Advertisement 677.

CREDIT MANAGER—Age 42, desires immediate position, 20 years experience in credits, including manufacturing, wholesale, retail and department stores. Seek connection with a progressive firm, location immaterial. Compensation \$5,000. Highest credentials. Address Advertisement 678.

CREDIT AND COLLECTION MANAGER—Age 37, 15 years experience with large corporations selling to contractors, building material and dealers in hardware, desires connection with progressive house. Will go anywhere but would prefer eastern Pennsylvania or New Jersey. Address Advertisement 679.

POSITION WANTED—Married man under 40, 17 years office experience, 12 years as credit man, A-1 references. Address Advertisement 680.

YOUNG MAN—Age 32, Protestant, good character, now employed; a number of years credit experience, together with considerable study along business lines, well versed in credit work, desires position as credit manager with progressive Christian concern, where absolute honesty is desired and ability appreciated. Salary \$2,000. Address Advertisement 681.

CREDIT AND COLLECTION MANAGER—Nine years experience in builders supplies and coal in Ohio. Annual sales \$2,000,000. Have a record to which I welcome investigation. Would prefer connection in Cleveland or other good city west of Pittsburgh. Present salary \$4,500. Personal interview solicited. Address Advertisement 682.

U. S. School for Income Tax Auditors

UNCLE SAM conducts a school at Washington in which he trains auditors and inspectors for the purpose of checking up income tax returns. Each month a new class of 125 goes to school. They must first pass certain civil service requirements of bookkeeping knowledge and experience. In the school they receive six weeks' intensive training in the technicalities of the income tax law, by means of lectures and individual instruction by experts. They are paid full salary while under instruction.

The Civil Service Commission will hold an examination on May 3 throughout the United States to test the qual-

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fications of applicants for positions of auditor and inspector under the Income Tax Unit of the Bureau of Internal Revenue. The entrance salaries offered range from \$1,800 to \$3,000 a year.

Full information and application blanks may be obtained from the U. S. Civil Service Commission, Washington, D. C., or from the Civil Service Board at the post office or Custom House in any city.

Certificates Awarded

NATIONAL Institute of Credit Certificates were awarded to the following students for completing courses.

CREDITS AND COLLECTIONS

Joseph E. Cashin, 700 Monastery St., West Hoboken, N. J.

Mario D'Andrea, 2121 Bay Ave., Brooklyn, N. Y.

M. H. Pulford, care DeWitt-Seitz Co., Duluth, Minn.

Raymond L. Krueger, 1907 Warner Avenue, Chicago, Ill.

O. L. Hupp, 3340 Ainslee Avenue, Chicago, Ill.

ECONOMICS

R. H. Snyder, care Knorr-Schlautd Wholesale Co., Hutchinson, Kansas.

George Bauman, 1432 Commonwealth Avenue, New York City.

T. E. Noonan, 4504 West End Avenue, Chicago, Ill.

A. G. Wade, 3172 Cambridge Avenue, Chicago, Ill.

All Dressed Up

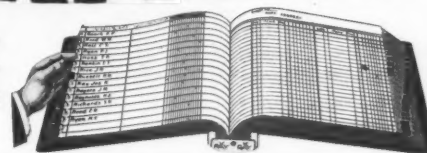
WILLIAM ALLEN WHITE, the world famous editor of the Emporia (Kansas) Gazette, records a recent visit at the Gazette office of National Secretary Tregoe as follows:

THE CONVENTIONAL BLACK

"Al Gufler had on his black suit today to entertain J. Harry Tregoe of New York, executive head of the National Association of Credit Men. Thursday and Friday the Gazette's boss had on his black suit to entertain Joseph Hergesheimer, the novelist. In this town the black suit on week days is a sign of company further east than Kansas City. It takes a man from further east than Chicago to get W. W. Finney into his blacks. He had a bunch here ten days ago from St. Louis and only had the windows of the telephone office washed. Which is our idea of great sang-froid and nonchalance."

THE X-RAY LINE

X-RAY Loose Leaf Pen Ledger System. Every account indexed for quick reference.



From name to account 'tis but a turn—the finger in the notch opposite the name rests upon the account leaf of T. K. Ross—with one turn you reach the account—EASY—QUICK—SURE—possible only with the X-RAY LEDGER.

ADJUSTO Tray-Binder for machine bookkeeping



Combines capacity of large tray with expanding and locking features of the ledger binder. Non-Skid flat base prevents sheets creeping and eliminates the objection of piled up sheets.

Powerful compression lock prevents removal of sheets when Tray-binder is closed.

Closes up like a book—no use for a cover.

Built of steel—sanitary and durable. Gives years of satisfactory service.

Complete outfit—Ledger—Truck Stand and Filing Case all in one unit—an outfit that harmonizes with the bookkeeping machine and increases its efficiency.

LEFEBURE LEDGER COMPANY
ACCOUNTING EQUIPMENT OUTFITTERS

LEFEBURE BUILDING

100 E. Avenue West

Cedar Rapids, Iowa

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912

OF THE CREDIT MONTHLY, published monthly at East Stroudsburg, Pa., for April, 1, 1922. County of New York, ss.

State of New York, ss.

Before me, a Notary Public, in and for the State and county aforesaid, personally appeared William Walker Orr, who, having been duly sworn according to law, deposes and says that he is the Editor of THE CREDIT MONTHLY, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor managing editor and business managers are:

Publisher, National Association of Credit Men, 41 Park Row, New York City.

Editor, William Walker Orr, 41 Park Row, New York City.

Managing Editor, Rodman Gilder, 41 Park Row, New York City.

Business Managers, None.

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WILLIAM WALKER ORR, Editor.

Sworn to and subscribed before me this 28th day of March, 1922.

WALDO M. CHAPIN,

(Seal)

Notary Public, Queens County, No. 795. Certificate filed in New York County, No. 330. Reg. No. 2428.

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(Continued on page 50)

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Man to Man

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To me has suddenly fallen the responsibility of directing a campaign for membership to bring our quota next June ahead of last year.

I am now fully alive to the tremendous issue involved; what it would mean to the National Association of Credit Men to go through such a year as this without a loss in membership. It can be done—but only with your help!

I want you to know that I am making the fight of my life to put it over, and I appeal to you as man to man, through your interest in this Organization, to make victory possible.

Your contribution, if only of one member, would be large. I hope that I will be indebted to you for this assistance, and that I can in some way repay you.

Very sincerely,

E. G. BRIC.

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Dear Mr. Bric:

I realize that, after all it is the members of our great Association who have got to put over the Membership Campaign.

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The Credit Index

By Jean LeBlanc

THE Advisory Committee on Research of the National Association of Credit Men, at its last meeting, held in the National Office, considered in detail the Huntington Credit Index and its possibilities. The members voted unanimously to suggest a thorough test of the index on a larger scale than had yet been made by the Huntington Association of Credit Men. The Research Department was later authorized by National Sec.-Treas. Tregoe to make such a test. The co-operation of several Credit Interchange Bureaus was solicited. Already Atlanta, Detroit and Wichita have promised to send in to the Research Department at the national office a copy of every interchange report cleared.

The Research Department will compute the credit index for all these bureaus week by week for several months and in addition will compute a series of trade indices. The study that will be made of these interchange reports in this test should show conclusively to what extent the Huntington Credit Index is a sound credit barometer and whether its extension is feasible.

The Committee that suggested the test is composed of some of the best known business research men in the country: Professor Melvin T. Copeland, Bureau of Business Research, Harvard University; W. B. Fish, Printz-Biederman Co., Cleveland; Lawrence K. Frank, New School for Social Research; Dr. Lewis H. Haney, N. Y. University Bureau of Business Research; C. C. Henking, Croft-Stanard Co., Huntington, W. Va.; M. H. Howell, Chase National Bank, N. Y.; S. C. McConahey, Westinghouse Air Brake Co., Pittsburgh; W. H. Steiner, Federal Reserve Board; Alexander Wall, Robert Morris Associates.

Credit Index Figures

Huntington.—Some of the members of the association who are not members of the Huntington Bureau may be interested in seeing figures of the Index. Arrangements have been made with the Lexington, Ky., Bureau, whereby it will send in each week its index and these figures will also be included. It is hoped that eventually all Bureaus will keep an Index so that it will be national, says the March bulletin of the Huntington association.

The following figures are the weekly average for four weeks ending March 1:

Bank Transactions:	
Huntington Clearing House Association	\$4,001,000.
Huntington Clearing House Association Index Number	40.01
Credit Bureau:	
Number of Experiences (Ledger)	2,226
Total Amount Cleared	\$353,826
Amount Due and Past Due	180,853
Amount Not Due (Liquid Rc'bles)	172,973
Credit Index Number	48.88

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